

**PELOTON**

**ESG  
REPORT  
2022**





# WELCOME

We're pleased to share Peloton's 2022 Environmental, Social, and Governance (ESG) Report—our second disclosure on our continued efforts to support and improve the well-being of our people, our community, and our planet.

This report, unless otherwise indicated, provides information for Peloton's 2022 fiscal year (FY22), which spans July 1, 2021 to June 30, 2022.

As a company that leads with purpose, our journey has not been a straight path, but rather one with peaks and valleys—twists and turns. We are proud that through a challenging but transformative year, we have continued to strengthen our commitment to the principles that matter to us, including motivating the world to live better through fitness, making progress against the Peloton Pledge to fight racial injustice and inequity, supporting our team members to be their best selves, and taking action on environmental sustainability.

This report includes updates on key ESG topics for our business, including but not limited to greenhouse gas (GHG) emissions data for our full value chain; environmental sustainability goals; ongoing efforts to foster diversity, equity, and inclusion across our teams and Member community; and practices we employ to ensure we're operating with integrity.

To ensure we are working toward internationally recognized ESG standards, this report has been informed by the Sustainability Accounting Standards Board (SASB) Standards for the Toys and Sporting Goods, Leisure Facilities, and Internet Media & Services industries.

We also aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and have published our [FY21 TCFD Index](#).

Our [FY22 Scope 1, 2, and 3 GHG emissions](#) have been verified by Apex Companies, LLC.

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## A MESSAGE FROM BARRY MCCARTHY

**What you are reading is the culmination of a year's worth of passion, persistence, and performance. These achievements by Peloton's team members are impressive given the significant transformation we have undertaken as a business and team.**

A lot has changed since we published our inaugural ESG Report last October. In that time, we made hard strategic choices, but we never lost our focus on our Members or our passion for our mission. And, as we pivot from transformation and once again focus on growth, we see ESG as an area of our business rich with opportunities to show up, through innovation, value creation, connection, and importantly, community.

This year, I'm pleased to share we're announcing several new goals and commitments in areas such as renewable energy procurement, product carbon footprint transparency, pay equity for our team members, and inclusion and belonging in our broader Member community.

There is already progress to report. In FY22, our instructors continued to use their platforms to create powerful connections with our community and spaces where Members can feel seen, supported, and celebrated. From our Breathe In, Speak Up series to events celebrating our LGBTQIA+ Members, to introducing our first adaptive training instructor, our continued efforts around inclusivity are key to helping us grow our Member base. Within our own business, we've made strides in integrating equity across our operations. This year, we completed our first Global Pay Equity Study, which revealed no statistically significant gaps. We also committed to conducting the study annually and maintaining 100% pay equity across gender and race/ethnicity.

In terms of sustainability, we've already begun this work by responding to the Carbon Disclosure Project (CDP) 2022 climate change questionnaire and included the results of our first qualitative climate-risk assessment. This is in line with recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). We take climate change seriously, are mobilizing to address our impacts, and will continue to provide regular updates to our stakeholders on this important topic.

In the coming years, we'll continue working toward our goals and improving the positive environmental and social impact of our business. We also commit to continue sharing our progress openly and transparently.

Peloton is a special company. Our mission is to enable our Members to be the best versions of themselves, anytime, anywhere. Our ESG goals and performance are key to ensuring Peloton can be the best version of itself, continuing to deliver on our goals and commitments.

**Barry McCarthy**  
President and CEO



## A MESSAGE FROM PAMELA THOMAS-GRAHAM

Since its founding, Peloton has always been a mission-driven business, grounded in a passionate and diverse community of Members and employees and committed to bringing physical fitness and wellness to millions of people around the world.

The company's actions in FY22 demonstrated how this foundation of shared purpose and values, even in periods of intense change, allow Peloton to be a meaningful contributor to the communities in which we live and work. Over the course of this past year, Peloton team members rallied, adjusting and recalibrating, in order to have continued impact on the goal of helping people live healthier lives. The achievements and progress outlined in this report are the direct result of their drive and dedication.

The company continues to evolve its approach to ESG efforts in light of rapid changes in the macroeconomic environment, maintaining regular engagement with the nominating, governance, and corporate responsibility (NGCR) committee of the Board of Directors. All Board members—not just our committee members—are actively engaged in discussions around sustainability, workplace equity, strong corporate governance, and community impact.

This year's ESG Report introduces a new "Impact Framework" for Peloton, outlining the ways in which the company brings its purpose to life by supporting the well-being of our people, our community, and our planet. The Framework also underscores Peloton's continued commitment to operate with integrity.

From my seat as Chair of the NGCR committee, I can attest that this year, the business has made meaningful strides in strengthening internal ESG governance structures and processes. This is due in no small part to the active engagement of the company's C-Suite in all matters related to ESG. For example, Peloton established a new cross-functional ESG steering committee comprising the company's most senior executives. In its first year, this steering committee has overseen the development of new environmental sustainability targets; the disclosure of Peloton's full value chain emissions to CDP; and strategic decisions related to the company's social impact initiatives. The steering committee is also helping ensure ESG issues are central in top-level strategic and tactical decisions, and will enable continued, cross-functional accountability in the years to come.

From a renewed and reimagined Pledge, to advancing social justice and championing anti-racism, to the introduction of Peloton's first set of climate-related targets, Team Peloton is proving ESG is not a "nice to have"—it is a core element of the company's DNA. For many years, Peloton has lived up to the original spirit of its name, making "Together We Go Far" a living, breathing reality. We're excited about our plans for the coming year and confident that as a team we'll stay true to our purpose.

### **Pamela Thomas-Graham**

Chairperson, nominating, governance, and corporate responsibility committee  
Peloton Interactive, Inc. Board of Directors



# WE ARE ONE PELOTON

We are the largest interactive fitness platform with a mission to use technology and design to connect the world through fitness and empower people to be the best version of themselves anywhere, anytime.

Our world-class instructors, engaging content, innovative products, and supportive community motivate Members to move their bodies and care for their minds. Together with our passionate team members, engaged communities, and inspiring partners, we're knocking down barriers and offering a motivating fitness experience unlike any other.

As of the date of publication of this report, we:

- > Have approximately **3,825 TEAM MEMBERS** globally
- > Offer content that spans **16 MODALITIES** and 3 languages
- > Represent a community of nearly **7 MILLION MEMBERS** globally

# OUR VALUES

**PUT MEMBERS FIRST**



**TOGETHER WE GO FAR**



**OPERATE WITH A BIAS FOR ACTION**



**BE THE BEST PLACE TO WORK**



**EMPOWER TEAMS OF SMART CREATIVES**



These values are central to our culture and are intended to guide every decision we make.





## OUR IMPACT FRAMEWORK

At Peloton, we're more than just a fitness brand—we're a platform that fosters connections and motivates millions of Members to grow stronger together every day. This is the reason we show up—our purpose, to motivate the world to live better.

We bring our purpose to life by supporting the **well-being** of **our people, our community,** and **our planet.** We're focused on unlocking our collective greatness, making progress toward a more equitable and healthy society, and improving the environmental sustainability of our business practices. This is the motivation that moves us forward.

We're early in our journey and we know that actions speak louder than words. As a company that has defined a new category, we operate with a bias for action and don't let perfection stand in the way of progress. We always strive for continuous improvement. And we know that together, we can go further.

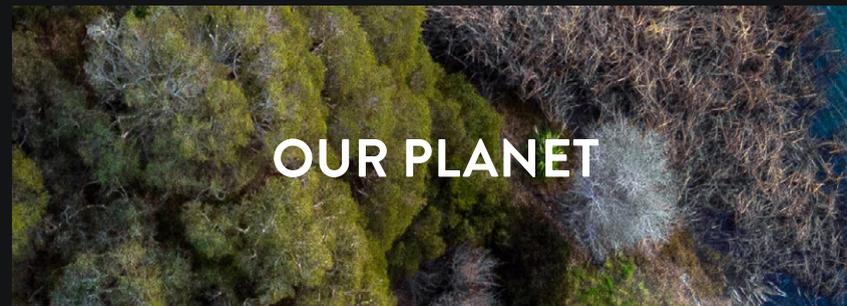
## WELL-BEING OF:



We encourage our team members to bring their most authentic selves to work every day and provide opportunities to help unlock their greatness. We invest in learning and wellness support to strengthen our team's physical and mental well-being, offer equal and competitive pay and benefits, and empower our team to be agents of change at work and in the world.



We aim to use our platform and business to enable a more just, equal, and healthy society. We're committed to fostering a sense of belonging for all of our Members and democratizing access to physical and mental well-being through our products, content, and community partnerships.



We are taking action to improve the sustainability of our business practices. We're rolling out initiatives to operate more efficiently, build a more circular and transparent business, and source clean energy, all to make progress on our long-term environmental aspirations. Moving forward is about hope for the future—and that depends on a healthy planet.

## OPERATING WITH INTEGRITY

Our values, honesty, and integrity in all our business dealings are at the center of what we do. We are committed to earning and maintaining the trust of our stakeholders by upholding these principles and holding ourselves accountable through a defined governance model and associated compliance processes, and providing regular and transparent updates on key issues.

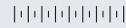


## AN UPDATE ON THE PELOTON PLEDGE

In June 2022, we marked the 2-year anniversary of the Peloton Pledge—our ongoing commitment to combat systemic inequity and promote global health and well-being. We continue to be grateful for the determination each of our team members brings to work every day to make progress against the Pledge.

We are once again taking a moment to celebrate the strides we've made against our Pledge commitments and also to think creatively about how we will continue to deliver on our ambition. Part of this will be bringing our purpose to life through the Impact Framework, which complements the aims of the Pledge.

**We are now reimagining our approach in some instances in light of changes to our business, while endeavoring to maintain the spirit of the Pledge.**



### TAKING AN INSIDE-OUT APPROACH

Core to the spirit of the Pledge is our intention and commitment to build in inclusion and equity across the full team member experience—from recruitment to the day-to-day experience as a Peloton team member—across all levels of the business, job types, and locations.

#### PLEDGE PILLAR 1

##### INVEST IN ECONOMIC EQUITY

- > Continuing to offer a starting hourly rate of no less than \$19.00 for all hourly non-sales commissioned roles, and equally competitive, above-market entry rates for equivalent roles in all other markets where we operate (Australia, Canada, Ireland, Germany, and the UK)
- > Conducting a Global Pay Equity Study across gender and race/ethnicity on an annual basis and addressing any discrepancies as needed

#### PLEDGE PILLAR 2

##### INVEST IN LEARNING AND DEVELOPMENT

- > Strengthening equity in our systems and processes for growth and development
- > Ensuring consistent and equitable practices in our talent mobility program
- > Providing anti-racism learning opportunities at all levels of the company

#### PLEDGE PILLAR 5

##### DELIVER ON LONG-TERM DIVERSITY, EQUITY, AND INCLUSION AGENDA

- > Continuing to combat bias throughout external recruitment practices
- > Reviewing and reporting diversity data for our workforce
- > Leveraging engagement survey insights by ethnicity to create programming and resources that ensure inclusive and equitable team member experiences



### SHOWING UP FOR OUR COMMUNITIES

We will continue to use our resources, platform, and influence to tackle systemic racial inequity and help change our broader community for the better.

#### PLEDGE PILLAR 3

##### DELIVER IMPACT THROUGH COMMUNITY INVESTMENTS

- > Moving away from a fixed giving budget over a finite period of time to an ongoing, evergreen commitment to giving 1% of our operating income before tax, starting in FY24
- > Continuing to dedicate the majority of our giving budget to Pledge partnerships
- > Working closely with our partners to leverage Peloton's full suite of assets to support their work, including non-monetary resources

#### PLEDGE PILLAR 4

##### CREATE INCLUSIVE AND ACCESSIBLE EXPERIENCES FOR MEMBERS

- > Committing to engaging our Member population annually to track and report sentiment around inclusion, community, and representation and applying those learnings to how we research, design, and create products, content, and experiences
- > Regularly sharing how we're progressing on fostering a diverse and inclusive Member base
- > Exploring and expanding ways of making our platform and products more inclusive and accessible to communities experiencing systemic inequities and racial injustice



# FOR THE WELL-BEING OF OUR PEOPLE

We encourage our team members to bring their most authentic selves to work every day and provide opportunities to help unlock their greatness. We invest in learning and wellness support to strengthen our team's physical and mental well-being, offer equal and competitive pay and benefits, and empower our team to be agents of change at work and in the world.



At Peloton, we are committed to providing support and benefits that enable a fulfilled and healthy experience as a Peloton team member. We remain steadfast in our efforts to help unlock greatness in each of our team members around the world.

Through a year of change, we have worked to provide our team members with a positive experience at every stage of their employment journey. We remain steadfast in our efforts to provide benefits that are competitive and relevant, and cultivate a team member experience grounded in personal and professional well-being. From pay equity, competitive health care benefits, and learning and development opportunities to brave conversations about race and justice, we are moving from ambition to performance, and setting a clear definition for a positive and inclusive work environment.

**IN THIS SECTION**  
**OUR TEAM**  
**DIVERSITY, EQUITY, AND INCLUSION**

## OUR WORK

**CONDUCTED OUR FIRST ANNUAL GLOBAL PAY EQUITY STUDY**, which revealed zero statistically significant gaps; any disparities were immediately addressed

**4,000 TRAINING HOURS COMPLETED** on Connected Leadership, Peloton's in-house leadership development program

**LAI D GROUNDWORK TO PILOT ACTIVATING ALLYSHIP**, our 6-part learning journey for people leaders focused on cultivating an anti-racist allyship culture, and trained 7 volunteer facilitators

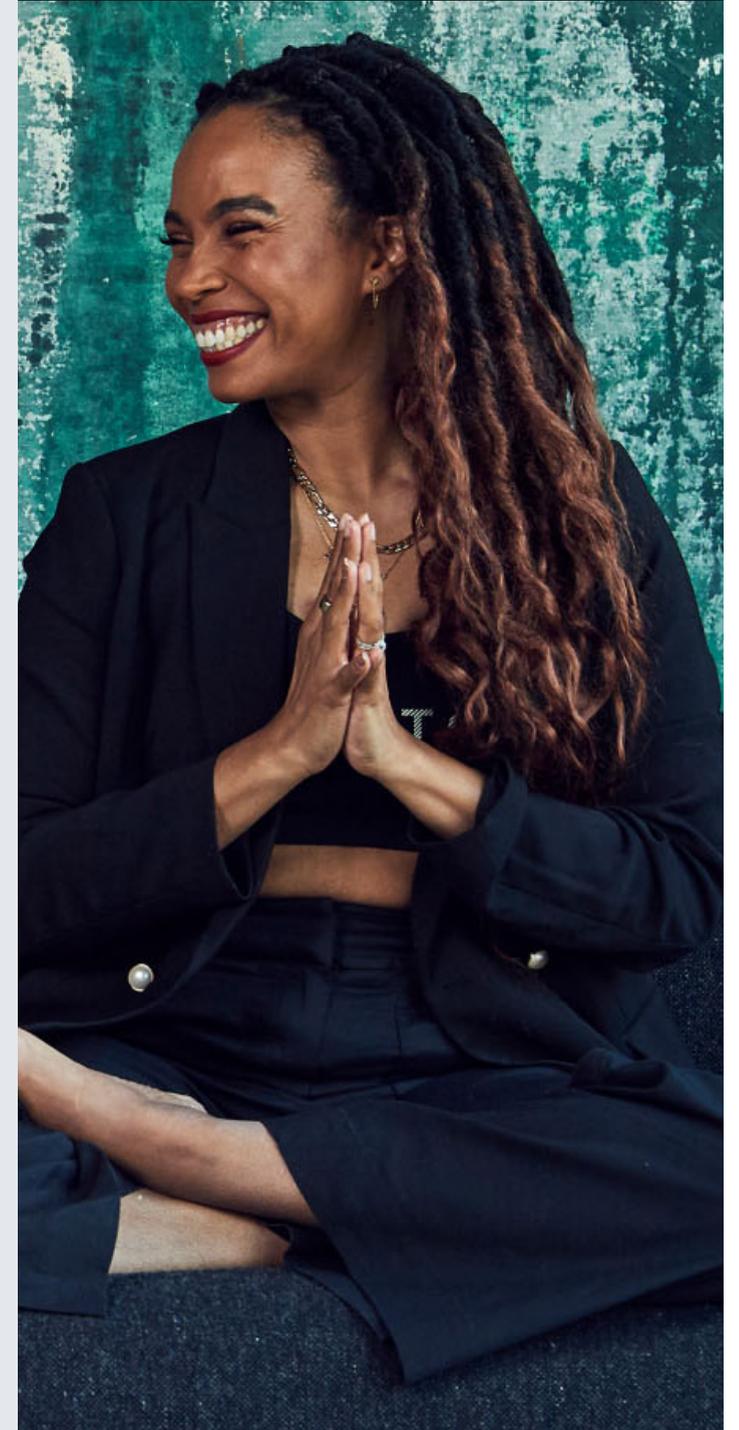
**ENHANCED EQUITY IN HIRING** by posting all positions internally for a minimum of 5 days to support internal mobility; leveraging multiple outreach platforms to support diverse candidate pools; and training all interviewers to ensure an objective hiring process

## OUR COMMITMENTS

**MAINTAIN 100% PAY EQUITY ACROSS GENDER AND RACE/ETHNICITY.** Each year, we will continue to conduct a Global Pay Equity Study across gender and race/ethnicity, and address any identified pay gaps

**100% OF ALL INTERVIEWERS UNDERGO HIRING AT PELOTON TRAINING**, which includes bias mitigation; all job descriptions are evaluated by a tool to reduce the risk of biased language in job descriptions; and affirmative sourcing tools are leveraged to help promote a diverse candidate pool

**100% OF PEOPLE LEADERS COMPLETE ACTIVATING ALLYSHIP**, Peloton's anti-racism learning journey training program, by the end of FY24





## OUR TEAM

**Our teams are filled with passionate, talented, and creative people who work together to cultivate the best place to work and deliver the best work of their careers. We push and support each other to unlock greatness as individuals and as one Peloton.**

### A NEW DIRECTION

The past year has been undeniably challenging for our business. Facing a changing market and difficult economic landscape, we have had to reimagine our business and transition our teams to a new reality.

Since June 30, 2022, we experienced a significant reduction of our global workforce in connection with ongoing restructuring initiatives, as we move our company closer to our fiscal year-end goal of breakeven cash flow, with a renewed focus on growth.

We are offering support and resources to those affected by restructuring, including:

- > Providing cash compensation
- > Offering extended health care coverage
- > Connecting former team members with career support services, including [RiseSmart](#)—an outplacement company and opt-in website where impacted colleagues can create a public-facing profile and share their experience and expertise with potential employers

We continue to aspire to be the best place to work and we know that doesn't only mean making Peloton a great place to be; it also means striving to make Peloton a place every team member is proud to be from.

### A FOCUS ON DEVELOPMENT

We're continuing to provide multiple resources that equip our team members with tools and skills to grow and thrive.

As part of the Peloton Pledge, we committed to addressing our own job opportunity gap by investing in learning and development programs with a dedicated focus on our hourly teammates. Initially, we put resources toward developing University@Peloton as a means to meet this commitment. Given the evolution of our company during FY22, we have reshaped our plans to maintain the spirit of the Pledge, while being responsive to current business conditions. Starting in FY22, we have been focusing on curating and offering a series of robust internal learning and development programs for all team members and applying an equity lens to these efforts, along with new initiatives and resources that support internal mobility.

We also strengthened our internal hiring and mobility program with refreshed internal resources to support and enhance the team member experience, including a robust training kit to help guide team members and people leaders through the internal candidate journey, as well as more streamlined and agile recruitment practices.

In addition, we applied insights from team member engagement and exit surveys to update our policies and make processes more equitable. Some of the changes include decreasing the 6-month tenure requirement to 3 months for all Peloton team

members, enabling team members to apply to posted roles at, or one level above, their current level, and reducing the mandatory internal posting period for all jobs from 2 weeks to 1 week. We began piloting some of the program changes in FY22 and look forward to sharing progress in future reports. The team has also been working on the early stages of a talent marketplace platform to improve the discovery of full/part-time roles, short-term assignments, and mentors as part of team member development. Peloton believes team members grow in all directions, and not necessarily always into a more senior position. Team members can move laterally, take on temporary assignments, find a mentor, and take learning courses to gain valuable new skills and experiences to facilitate ongoing skill development. The new platform will support enhanced equity and transparency of internal mobility by matching team members to opportunities based on their skills and experience—effectively matching supply and demand across the business. The platform is currently in the test phase and we are planning to launch a pilot within certain areas of the business in 2023.

As part of their team member experience, all team members receive performance feedback to help harness their potential, including celebrating their wins and helping identify areas of opportunity for continued development.



## CONNECTED LEADERSHIP DEVELOPMENT PROGRAM

Connected Leadership is our in-house leadership development program that provides training on Peloton's approach to leadership, coaching, and teamwork. The courses cover topics such as: emotional intelligence, growth mindset, and radical candor. During FY22, training focused on developing the skills people leaders need to create psychological safety, meaningfulness, and availability for their teams. This includes educating people leaders on how to be intentional and empathetic when delivering feedback and coaching, as well as creating the working conditions needed to set team members up for success.

We conducted 32 leadership training sessions, including:  
> 22 Connected Leadership sessions, equal to an aggregate total of 4,000+ training hours completed by people leaders  
> 10 Performance Management Workshops, equal to an aggregate total of ~900 minutes of training

We also added 8 on-demand leadership e-learning sessions to our virtual training platform and certified 8 additional in-person training facilitators.

## RECOGNIZING AND REWARDING TALENT

We seek out the best talent and firmly believe that talent should be recognized, nurtured, and rewarded. We value our team members and demonstrate this by offering competitive compensation to all.

One of the ways we bring this belief to life is our ongoing commitment via the Peloton Pledge to offer a starting hourly rate of no less than \$19.00 for all hourly non-sales commissioned roles, and equally competitive, above-market entry rates for equivalent roles in all other markets where we operate (Australia, Canada, Ireland, Germany, and the UK). Also in FY22, we partnered with an independent third-party consultant to conduct our first annual Global Pay Equity Study. We are proud to announce that the study showed no statistically significant pay gaps in our workforce on the basis of gender or ethnicity. For any non-statistically significant instances of disparity (less than 4% of overall team members), we took immediate action to eliminate identified gaps. We are pleased with the results of the study and will continue to conduct the assessment on an annual basis.

We use data and insights to help us implement and monitor the effectiveness of inclusive practices across our business. We're prioritizing actions that accelerate our progress toward equity for all team members.

In FY22, we took steps to address equity compensation concerns created by the volatility of our stock price. With the support of our Board of Directors, we completed a one-time option repricing and modification and acceleration of vesting schedules for restricted stock units (RSUs) for post-initial public offering (IPO) grants for all eligible team members. We also provided cash bonuses to hourly team members to reinforce our commitment. We believe these actions recognize and reward all the hard work our team members have done to drive business success.





## BENEFITS FOR BETTER WELL-BEING

Peloton offers an array of benefits to eligible team members, including:

- > Comprehensive health care
- > Mental health benefits
- > Global financial wellness support
- > Back-up support for dependents (children and elderly)
- > Up to 18 weeks of paid parental leave
- > Referral bonus program
- > Prepaid legal assistance
- > Global family-forming benefits
- > Free membership and meaningfully discounted connected fitness products
- > A team member stock purchase plan

Beyond our core benefits package, we continuously evaluate the needs and expectations of our team to ensure benefits that are both competitive and relevant.

Benefits-eligible team members also have access to the High Five Fund, which provides up to \$5,000 in financial relief to help team members who face financial hardship immediately after an unforeseen personal challenge.

In addition, we have a dedicated mental health benefits partner that provides emotional and mental health resources at team member convenience through online tools, research-backed therapeutic methods, and therapists, coaches, and digital tools.

Eligible full-time team members can also receive up to 40 hours of paid time off per year to engage in civic activities. Eligible part-time team members can receive up to 24 hours a year.

In FY22, we also continued to engage and empower our team through our Together We Give platform, which allows team members to donate to causes they are passionate about. This year, we matched donations made by team members, up to \$1,000 per team member.



## SAFE PLACES TO THRIVE

The safety of our team members is our priority and keeping team members safe demands a comprehensive, companywide approach to how we manage our workplaces, processes, and systems. RIDE TO Safety is our environmental, health, and safety (EHS) program, which enables our team to work toward global safety, environmental stewardship, and emergency preparedness. The program covers:

- Risk analysis
- Incident management
- Documented processes
- Environmental programs
- Training
- Occupational health

Through RIDE TO Safety, we provide training on our global EHS policies and protocols designed to keep all team members safe and healthy.

We also provide safety incident management and reporting training to our team members, in line with federal regulation. This training outlines our safety incident procedures that team members must follow when reporting safety incidents and empowers team members to recognize different types of safety incidents, perform a safety incident investigation, and report a safety incident.



## DIVERSITY, EQUITY, AND INCLUSION

We recognize our role and responsibility to combat systemic racism and fight racial injustice and inequity in our world.

That's why we have made a powerful commitment to become an anti-racist organization. We believe that out of many perspectives, experiences, and backgrounds, we can come together in an inclusive and collaborative environment to build a culture grounded in belonging and working smarter to achieve greater impact for our Members, our team members, and our broader communities.

For us, diversity, equity, and inclusion (DEI) is not an afterthought—it's a way of being that we strive to build into our day to day. We foster a culture of inclusion across our company. We advocate for respect among team members in every interaction and strive to provide equitable processes and opportunities for our community. We believe that, as an employer with a commitment to anti-racism, our role is to educate and empower all our team members and equip our leaders with the tools to help build a more just and equitable society.

### BUILDING DEI INTO EVERY PART OF PELOTON

In June 2020, we announced the [Peloton Pledge](#)—our ongoing commitment to combat systemic inequity and promote global health and well-being. Since then, we have been on a journey to understand what that really looks like inside our business, asking ourselves: How do we best use our resources to create a truly inclusive company? What are the right targets to drive real progress? What are the most impactful ways we can help team members to feel safe, seen, and heard in the workplace?

It has also been a time of action, and our progress has been real. Today, we have 8 Employee Resource Groups (ERG) that were built from the bottom up by passionate team members and supported by executive sponsors. We have established a global DEI team that is driving candid conversations about inclusion, justice, and equity across our company and is guiding us to ask the hard questions of ourselves and each other. These efforts are designed to help every team member and leader take the steps needed to ensure DEI is embedded in Peloton's culture.

Our DEI priorities include enabling individual and team learning and development with practical resources and tools. We also focus on creating psychologically safe spaces for all our team members, and promoting a growth mindset that recognizes learning and growth as continuous processes.

### CONTINUING THE CONVERSATION

Our DEI team continues to help create space for constructive conversation and anti-racism learning and development for all team members. Brave Conversations: A Speaker Series on Race + Equity has provided a space to unify team members and offer valuable insights into how to promote equity and become an anti-racist organization.

In the last year, we heard from inspirational and thought-provoking speakers, including philanthropist and professional athlete Dwyane Wade, author and educator Jane Elliott, and workplace equity consultant and author Minda Harts.





We also delivered DEI listening sessions to inform action plans for various teams. We also provided a suite of learning circles in response to DEI trends identified across the business. Our learning circles have focused on a range of topics, including inclusive language, anti-racist practice, sexual orientation, gender identity, and the use of preferred pronouns.

### **ELIMINATING BIAS ACROSS THE TEAM MEMBER EXPERIENCE**

We believe that, to build a truly equitable and inclusive organization, we must strive to create a bias-free team member experience.

In FY22, we began to transform how we find, keep, and engage with talent, starting with putting more inclusive language into job descriptions. Critical to this initiative was the introduction of a platform we leverage to reduce the risk of biased language in job descriptions. To further enhance inclusivity at the recruitment stage, we deployed an artificial intelligence-powered recruiting software to enable affirmative sourcing, expanded our postings to hundreds of diversity-oriented sites via a partnership with DirectEmployers, and continue to monitor and report on candidate pipelines versus market availability. Additionally, as of the date of this report's publication, we achieved a 92% completion rate for our Hiring@Peloton interviewer training program, which includes bias mitigation.

### **ACTIVATING ALLYSHIP**

Making progress to becoming a truly anti-racist company demands we turn intention into action and knowledge into understanding. Activating Allyship is a six-part learning journey focused on equipping our people leaders with the practical skills, insights, and tools needed to embed an anti-racist allyship culture at Peloton. Cohorts of 10 to 25 individuals at a time learn to move toward active anti-racist allyship by:

- > Unpacking what it takes to embed an anti-racist allyship culture at Peloton
- > Gaining the practical knowledge and tools needed to take action as an anti-racist ally
- > Overcoming the fear of engaging in difficult feedback and conversations at work
- > Making personal commitments, as people leaders, to promote a culture of inclusion
- > Learning about the history of racism and how it shows up in the workplace
- > Learning how to redistribute our own personal power and privilege

Through a 6-part e-learning course and 2-hour facilitated sessions for live discussion and activities within cohorts, participants explore concepts, make deeper connections, and identify the tangible actions that they can commit to as an anti-racist ally.

In FY22, we recruited and trained 7 internal facilitators and conducted a core team pilot in the first quarter. We are now preparing the ground for a 2023 launch and look forward to how the program will help to further the aims of the Peloton Pledge in the years to come.





## HELPING TEAM MEMBERS CURATE THEIR EXPERIENCE

Our ERGs are team member-led groups that foster a diverse and inclusive workplace aligned with Peloton's organizational mission, values, goals, business practices, and overall DEI strategy. These groups create belonging and engagement by bringing together communities of team members to provide support, development opportunities, and programming. We believe ERGs are an integral component of our business strategy, and we recognize that our ERG leads spend an incredible amount of time, effort, and emotional bandwidth in their roles. In recognition of their extraordinary impact, we invest in ERG leaders by compensating them with equity and offering them a variety of career development and learning opportunities.

We celebrated their work at our first US ERG summit, which we held in June 2022 at our headquarters in New York City.

### EMPLOYEE RESOURCE GROUPS OF PELOTON



**ACE**  
@PELOTON

#### ACE@Peloton

The Asian Community ERG (ACE) aims to foster the Asian-Pacific Islander community by creating a safe space to address a broad range of topics, from cultural issues to ongoing career support and development.



**BLACK**  
@PELOTON

#### Black@Peloton

Black@Peloton aims to promote individual and collective growth through various resources and networking opportunities, focusing on areas such as recruitment, retention, and professional growth.



**LHIT**  
@PELOTON

#### LHIT@Peloton

The mission of LHIT is to serve and unite Latino/Hispanic people of all backgrounds at Peloton through celebration, education, and unity.



#### The Parenthood Journey

The mission of The Parenthood Journey is to create an open space to discuss all aspects of working parenthood.



**PRIDE**  
@PELOTON

#### Peloton Pride + Allies

Peloton Pride seeks to empower and support LGBTQ+ team members and allies in line with the company's overall mission of being the world's best place to work.



**THRIVE**  
@PELOTON

#### Thrive

Thrive ERG's mission is to ensure Peloton meets mental health, neurodiversity, and disability needs collectively at the individual, team, and organizational level.



**VETERANS**  
@PELOTON

#### Veterans@Peloton

The mission of the Veterans at Peloton ERG is to build camaraderie between former service members and educate team members of the organization on veterans' affairs.



**WOMEN'S ALLIANCE**  
@PELOTON

#### Women's Alliance

The Women's Alliance is committed to making Peloton the best place to work by fostering an environment where empowered women can thrive.

We're also delighted that, in FY22, we launched our Inclusion Forum in Australia. The Forum celebrates the rich diversity of our Australian team members and Members and seeks to create DEI programming that is responsive to local culture and traditions.



## ERG EVENTS

Our first US ERG summit took place in June 2022, bringing together our ERG leaders, and our executive sponsors, to take part in motivational and inspirational workshops and talks that provided the next step in the success of our ERG journey. We focused on strategy and program planning, social impact partnerships, growing your career, and storytelling.

Our ERGs organize multiple exciting, educational, and inspiring events every year for both our team members and our Members. In FY22, ERGs held over 70 in-person and virtual events.

Events included fireside chats with Peloton team members as well as external guests such as Allyson Felix, Scout Bassett, and Shane Ortega. ERGs also organized events for multiple heritage months, including Black History Month, Women's History Month, Asian American and Pacific Islander Heritage Month, Pride Month, Latinx & Hispanic Heritage Month, UK Black History Month, and Veterans Day.

In addition, ERGs worked together to make collective donations to various organizations throughout FY22, including the Center for Reproductive Rights, the Children's Bereavement Center of South Texas, and Mental Health Advocates of Western NY.



## MEASURING DEI PROGRESS

In FY21, we outlined DEI key performance indicators (KPIs) to track our progress. We are pleased to share the results of our efforts over the past year.

### GOAL

Provide anti-racism learning journeys, with 100% of people leaders completing the course by the end of FY24.\*

|||||

### PROGRESS

We're on track to launch our internal pilot in mid-FY23 with more than 10 trained team member facilitators.

### GOAL

Establish a team member engagement baseline survey score by ethnicity.

|||||

### PROGRESS

As part of our efforts to achieve Management Leadership for Tomorrow (MLT) Black Equity at Work certification, we committed to augmenting our baseline data on team members' engagement across ethnicities. Given significant changes to our team member base in FY22 and early FY23, we now plan to integrate this additional data going forward. In the meantime, we will continue to leverage survey insights by ethnicity to create programming and resources that ensure inclusive and equitable team member experiences across Peloton. In the future, we intend to share aggregate learnings as we continue to monitor and evaluate team member sentiment.

### GOAL

Establish DEI benchmark indices rankings and sustain them year over year.

|||||

### PROGRESS

We continue to engage with external benchmarking organizations to review our progress around workplace equity and inclusion as it relates to disability inclusion, LGBTQIA+ inclusion, gender equity, and racial equity.

We are also continuing to pursue an external Black Equity at Work certification through the organization MLT. This certification will hold us accountable for a broad array of KPIs related to Black equity, encompassing:

- > Representation
- > Team member compensation and benefits
- > Inclusive anti-racist work environment
- > Racially just business practices (supplier diversity)
- > Racial justice contributions and investments

Last year, we established a bronze-level internal baseline and will strive to reach gold-level certification in the coming years.

\* Our original goal was to introduce anti-racism learning journeys, with a goal of 80% participation by people leaders. In FY22, we aligned on an enhanced goal of 100% of people leaders completing the course by the end of FY24.



## DIVERSITY AT PELOTON

We know that robust data is critical to telling the truest story about who we are and the progress we're making on our DEI ambitions. During FY22, we were intensely focused on enriching our data to get to our goal of more transparency at a global level.

In order to tell an accurate story of our progress and who we are as a company, we focus on data completion as a key metric. This means measuring the overall positive response rate\* for each demographic field across 6 DEI categories, including gender (globally) and race (US), and excluding "no response" and "prefer not to identify" responses. As of the end of FY22, our data completion rate was 50.6%.

We respect our team members' choice to not disclose their demographic information, if that is their preference.

We also recognize that are opportunities for Peloton to better communicate and engage with team members around the importance of contributing to an internal view and understanding of who we are as a company.

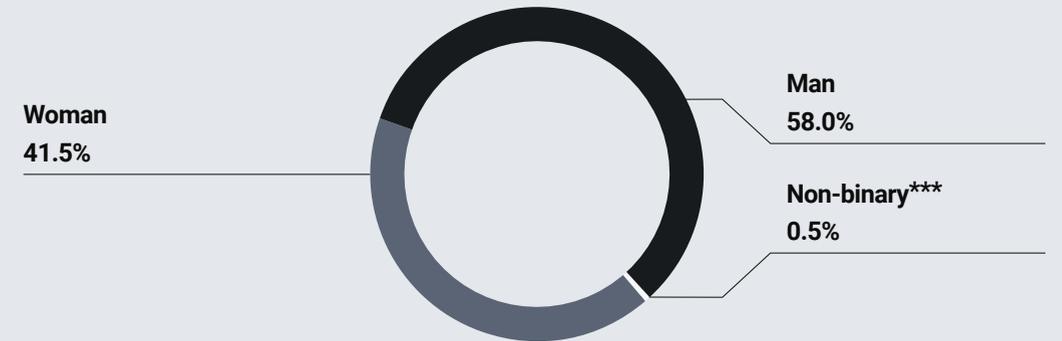
We report on gender globally because it is the most reliable and widely referenced demographic category. Today, our data around ethnicity is more reliable in the US, where our business is headquartered and the majority of our workforce is located. Our aim is to improve our self-identification data collection in our other territories, to the extent permitted by law, to better match the standards of our US data collection, while recognizing regional differences in how racial/ethnic groups may be expressed. This data will inform future DEI programming, team member benefits, and engagement opportunities.

We are continuously refining our systems to implement robust and accurate methods of collecting, analyzing, and reporting the data that paints a clear picture of Peloton. Every day, we are moving closer to our goal of reliable global data and complete transparency around the diversity of our team.

### PELOTON'S RACE REPRESENTATION AS OF JULY 1, 2022 (US team members)



### PELOTON'S GENDER REPRESENTATION AS OF JULY 1, 2022 (global team members)



\* A positive response is any demographic input excluding "prefer not to identify"

\*\* Multiple ethnic groups and not listed includes Native Hawaiian or Pacific Islander, American Indian, or Alaska Native

\*\*\* Non-binary includes agender, gender fluid, genderqueer, intersex, transgender, and two-spirit

Note: Figures do not total 100% due to rounding



# FOR THE WELL-BEING OF OUR COMMUNITY

We aim to use our platform and business to enable a more just, equal, and healthy society. We're committed to fostering a sense of belonging for all of our Members and democratizing access to physical and mental well-being through our products, content, and community partnerships.



We believe the well-being of the body and of the mind are connected. We've seen firsthand how movement and community can support and amplify feelings of self-love, inner strength, and belonging. That's why we're committed to making our products and services more inclusive and accessible, shaping experiences that celebrate diversity, and fostering partnerships to support lasting change in our communities.

## OUR PARTNERS

### OUR PLEDGE PARTNERS

Sporting Equals  
 Local Initiatives Support Corporation (LISC)  
 International Psychosocial Organisation (Ipso)  
 The Steve Fund  
 TAIBU Community Health Centre  
 Beyond Blue  
 Center for Antiracist Research  
 GirlTrek

### HERITAGE PARTNERS

261 Fearless  
 The 519  
 Ali Forney Center  
 Asian American Federation  
 GLADT  
 Hispanic Scholarship Fund  
 London Friend  
 USO

## OUR WORK

Continued to hold space year round with dedicated programming focused on **CELEBRATING THE DIVERSITY OF OUR MEMBER COMMUNITY**

Launched a new **INCLUSION SURVEY** for our Members

Welcomed our first **ADAPTIVE TRAINING INSTRUCTOR**

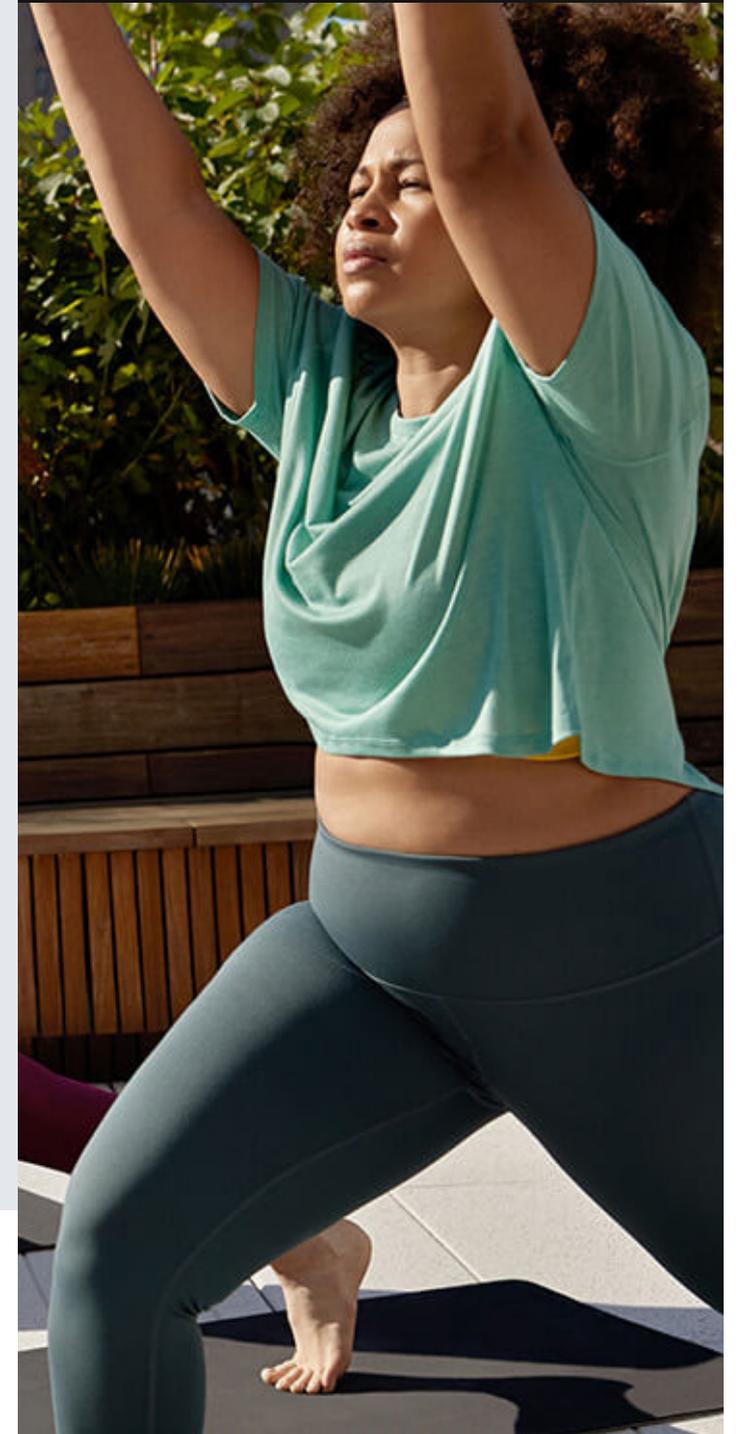
## OUR COMMITMENTS

**SOCIAL IMPACT PARTNERSHIPS:** We commit to giving 1% of operating income before tax annually, starting in FY24, and thinking creatively about how to leverage our full suite of assets to support our partners, including non-monetary resources

**DEMOCRATIZE ACCESS TO FITNESS AND CREATE INCLUSIVE AND ACCESSIBLE EXPERIENCES FOR MEMBERS:** We seek to cultivate a diverse and inclusive Member community, and will engage our Member population annually to track and report sentiment around inclusion, community, and representation and apply learnings to how we research, design, and create products, content, and experiences

### IN THIS SECTION

**DRIVING POSITIVE CHANGE FOR MEMBERS  
 OUR SOCIAL IMPACT PARTNERSHIPS  
 ECONOMIC EMPOWERMENT AND  
 SUPPLIER DIVERSITY**





## DRIVING POSITIVE CHANGE FOR MEMBERS

We motivate the world to live better. That’s been our purpose and from day one has been inspired by our Members. We believe in the interconnectedness of the body and mind and so Peloton has grown out of a deep sense of mission: to enable people around the world to enhance their well-being and to lead healthier, happier lives.

The Peloton experience helps our Members move physically, mentally, and emotionally toward their personal wellness and fitness goals. In the spirit of the [Peloton Pledge](#) and our ongoing commitment to tackle racial barriers to health and well-being, we’re proud of the progress we’ve made in producing inclusive content, accessible products, and experiences that celebrate the diversity of our Member community.

### BRINGING THE PLEDGE TO LIFE WITH OUR MEMBERS

In FY22, we developed instructor-led community circles and virtual Member events, and hosted meetings with our Health and Wellness Advisory Council to uplift diverse perspectives within the Peloton community and create space for discussions at the intersection of race and wellness.

In addition, we continued to hold space year round with dedicated programming focused on celebrating communities of color. For example, in June, we released 8 classes across our different platforms to celebrate Juneteenth, led by instructors including Adrian Williams, Ally Love, Chelsea Jackson Roberts, Kirsten Ferguson, Marcel Dinkins, Rad Lopez, and Tunde Oyeyin.

Our Breathe In, Speak Up (BISU) series continues to encourage our Members to reflect and hold space while celebrating the power of community. Hosted by Tunde Oyeyin and Chelsea Jackson Roberts, the series has been driven by the desire of our instructors to create space for our Black community to feel not only seen and heard but also loved and supported. During the classes, Tunde shares quotes from a diverse array of Black changemakers, from civil rights leaders to fellow Peloton team members. The series invites allies and future allies of the Black community to hear the stories and experiences of Black people and has provided many Members with the opportunity to view the world through a lens different from their own.





## FOSTERING A DIVERSE AND INCLUSIVE MEMBER COMMUNITY

Our goal is to foster a diverse and inclusive Member base. Understanding the sentiments of our Member community on key topics of inclusion and accessibility is key to helping us deliver on this goal, and meet our pledge to democratize access to fitness and create inclusive and accessible experiences for our Members.

In FY22, we developed and implemented a new survey to better understand our Members' experiences with Peloton products and the community. Our aim was to reach a well-rounded and representative panel of Members, so our Peloton User Research team opted to conduct baseline research across multiple aspects of inclusivity and accessibility in our community.

Approaching the research with intention and thoughtfulness was paramount for our research team. After developing the survey framework statements, our research team collaborated with our ERGs, DEI, and ESG teams to crowdsource feedback and avenues for improvement. Once finalized, the survey was sent to and completed by a pool of over 1,400 Peloton Members in the US. Diversity criteria included gender identity, age, ethnicity, race, and sexual orientation.

We intend to engage our Member population annually to track and report sentiment around inclusion, community, and representation and apply learnings to how we research, design, and create products, content, and experiences.



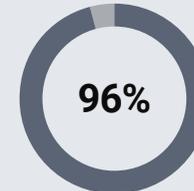
## FY22 PELOTON INCLUSION AND ACCESSIBILITY SURVEY RESULTS

We're incredibly proud to report that a vast majority of survey respondents agreed with the statements in the survey, signaling that most of our Members find our platform a truly welcoming, supportive, and inclusive place to pursue becoming their best selves.

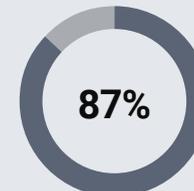
The key findings of our inclusion survey revealed:



**Hispanic/Latinx, Black, and Non-Heterosexual** Members feel statistically **significant more integrated into the Peloton community** than total respondents.



**96%** of respondents agree that Peloton has **improved their relationship with their bodies**



**87%** of the Members who use **assistive technology** feel that Peloton has **expanded their community**. This is statistically significant compared to those who do not use assistive tech (77%)



**20% of respondents with a disability**, specifically cognitive, learning, chronic illness, mental, and mobility, **feel significantly less represented\***

\* This survey was conducted in January 2022, prior to announcing Logan Aldridge as our first adaptive training instructor and launching the Tread TalkBack accessibility feature. We will continue to monitor Member sentiment around diverse representation and accessibility of our content and experiences, and strive for continuous improvement.



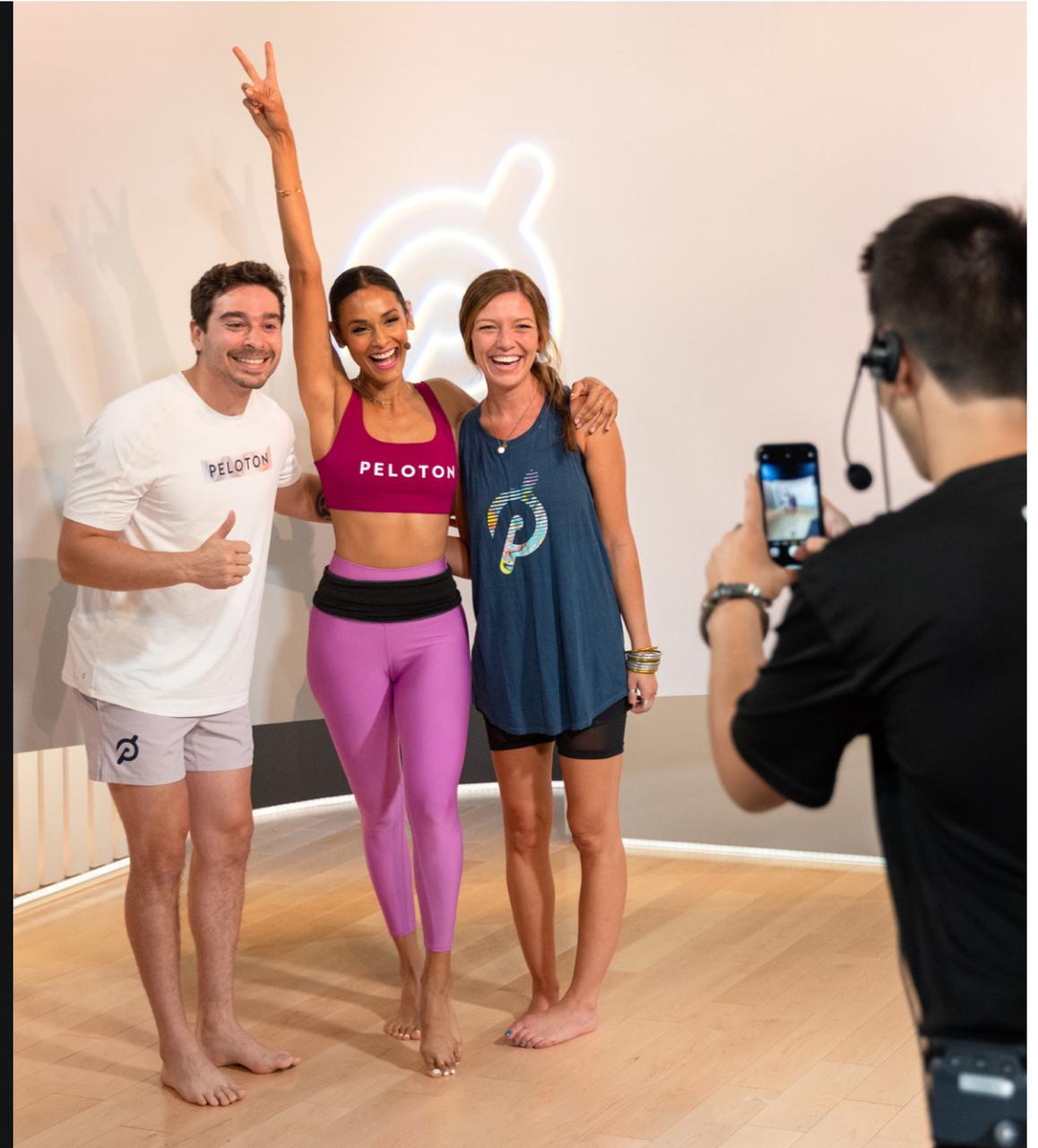
## A FOCUS ON MENTAL HEALTH AT HOMECOMING

Peloton Homecoming was created for our Members, by our Members, as a special way to bring our Leaderboard of nearly 7 million Members together. Over one weekend, our global community gathered online for an action-packed agenda featuring live panel discussions with instructors and experts in their field, as well as engaging community activities.

This year, Homecoming '22 featured a live panel titled A Conversation on Mental Health, featuring Kendall Toole, Sam Yo, and Pooja Lakshmin, MD, Founder and CEO of Gemma, and member of Peloton's Health and Wellness Advisory Council. The discussion put Member mental health front and center, and unpacked the complexities and stigmas surrounding mental health across cultures. The more than 3,500 attendees were reminded that taking care of our mental health isn't a one-size-fits-all and learned about different ways to enhance self-care rituals and the science behind the mind and body connection.

During the panel, our instructors also announced that we would be deepening our partnership with 2 of our Pledge partners focused on increasing access to mental health: Ipso and the Steve Fund. Together, Peloton and the Steve Fund are amplifying its mission to bring culturally competent mental health resources and programs to communities across the country with a focus on young people of color and their families. Our partner in Germany, Ipso, is deploying innovative approaches to provide culturally responsive mental health resources through a network of counselors from more than 20 nations.

Over 38,000 Members joined Homecoming with us in FY22. We believe community-centered events, like Homecoming, are powerful platforms for raising awareness about how to proactively manage mental health and self-care. We will continue to explore and use such opportunities to spread messages of compassion, acceptance, and empowerment across our community.





### ACCESSIBLE PRODUCTS AND CONTENT

We want to use technology and design to connect the world through fitness and empower people to be the best version of themselves anywhere, anytime. We believe that this is especially relevant and valuable to people facing systemic barriers to physical fitness and mental health. To do this, we are leaning into our culture of innovation to evolve our products and content in ways that make them more accessible.

#### Products and content for every body

Everyone has different fitness abilities and ambitions, and we strive to provide a variety of classes, product features, and content that allow all our Members to reach their personal goals, no matter their abilities or where they are on their journey.

We work to keep accessibility top-of-mind for our Members and continue to invest in product features to support inclusive fitness experiences for Members living with disabilities. In FY21, we incorporated Google's [TalkBack screen reader](#) on Bike and Bike+, extending this to the Tread in August 2022. In FY22, we enhanced our existing assistive technology with live English subtitles and established research practices that include Members with disabilities.

In FY22, we announced Logan Aldridge was joining our team as Peloton's first adaptive training instructor. We also released our first adaptive training collection. We are proud of these significant steps toward making our products and content more accessible.

In addition, in an effort to make our Tread accessible for partially sighted and blind users, we took an iterative approach to designing, researching, and developing Tread TalkBack.

To make runners and walkers feel safe, confident, and independent while using the Tread and TalkBack, we co-collaborated with independent accessibility experts and organizations.

Our research focused on the insights derived from in-person Tread testing with visually impaired participants. We conducted interviews with 9 non-Peloton and Peloton participants. Participants were recruited in collaboration with the American Council of the Blind and met the following requirements:

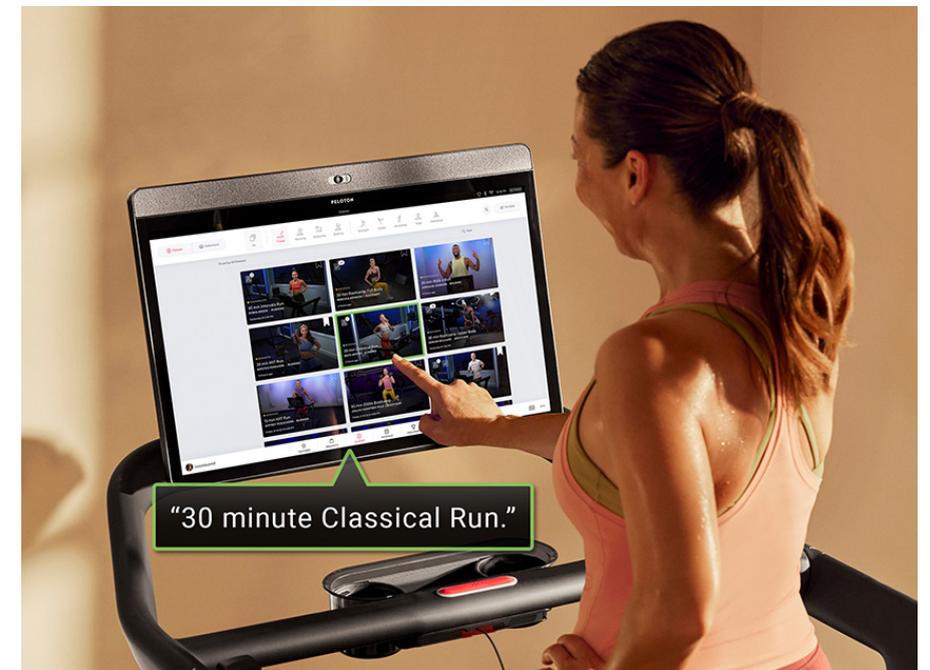
- > Legally blind or have low vision
- > Varying degrees of Peloton exposure
- > Mixture of running and walking experience on treadmills

This helped ensure that the controls on Tread with TalkBack were perceivable, operable, understandable, and robust at launch.

We're glad that Members have responded so positively to these evolutions and we will continue to work with accessibility groups and communities to build our adaptive training collection and programs in FY23 and beyond. Additionally, we are committed to leveraging the power of our content and software to integrate inclusive language and accessible modifications in all Peloton classes.

#### Making access more affordable for more Members

We are also looking at accessibility through the lens of economic inclusion. We are actively exploring more ways to make our products and content more financially accessible to potential Members with more low-cost ways to enter the Peloton community. We piloted a new, more accessible way to experience Peloton products and content in the US: the [Peloton Rental Program](#). This bundled subscription service allows subscribers to lease a Bike for a single monthly fee that also includes access to our entire library of classes, fitness programs, and features. Subscribers can cancel their subscription at any time or choose to buy the equipment they have been leasing with special buyout options.





## SUPPORTING DIVERSE ABILITIES

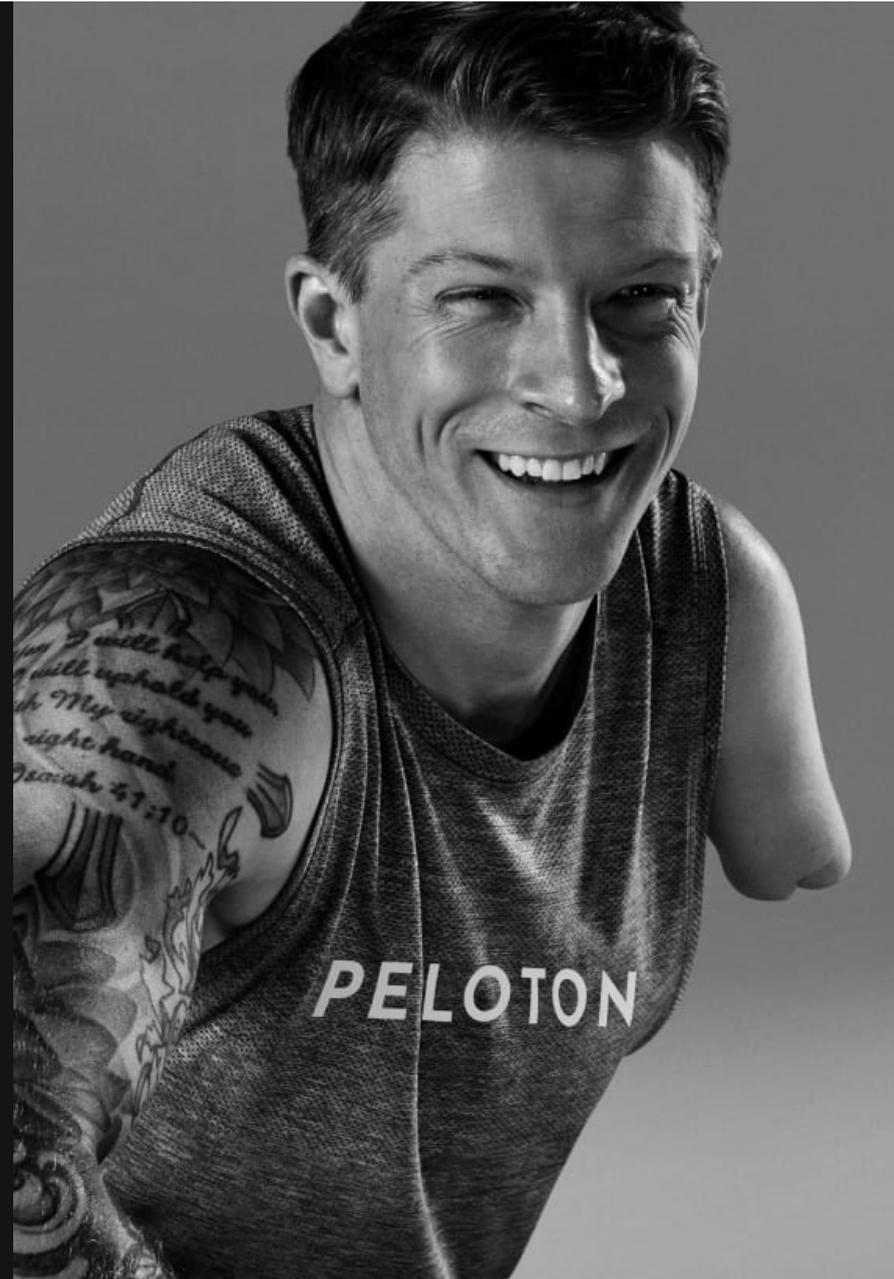
In FY22, we were thrilled to welcome Logan Aldridge, our first adaptive training consultant and Peloton Instructor, to our team.

Logan is the Co-founder and Director of Training at the [Adaptive Training Academy](#), where he leads and develops research-based courses to enable accessible and inclusive fitness training for everyone, regardless of ability. He is now bringing his extensive knowledge and experience as an active amputee athlete to our Member community.

In his role, Logan consults with our Content team and partners throughout the business to define Peloton's accessibility offering and approach to meeting our Members with the level of purpose and detail they deserve. As an instructor, Logan teaches both strength classes and uniquely programmed standing and seated classes for athletes with varying physical abilities.

***"When we turn obstacles into opportunities, we push through physical barriers and discover more of ourselves. We become curious about what happens if we just keep going."***

Logan Aldridge



## BROADENING ACCESS

As more companies move to provide robust corporate wellness benefits to their employees, more people can enjoy a flexible entry point into our best-in-class fitness and well-being products and content. To help more people experience the benefits of movement, in FY21, we launched [Peloton Corporate Wellness](#) so that businesses and other organizations can help employees reach their fitness goals.

One year into launching Corporate Wellness, over 50 leading organizations and businesses across multiple industries have chosen to offer Peloton Corporate Wellness as a benefit to their teams. We surveyed Peloton Members enrolled through their employers to better understand the impact on their mental and physical well-being, as well as work performance. We're proud to report that 90%

of these Members ranked Peloton Corporate Wellness as one of the top 3 benefits offered by their employer—above financial wellness (52%), and mental health and therapy offerings (47%).

Our survey also showed that since Peloton Corporate Wellness was introduced in their workplace, nearly all respondents (97%) noted their well-being has been improved, 89% of Members have seen reduced burnout and 81% say they feel more focused throughout their day.

Peloton Corporate Wellness helps companies offer their employees convenient access to mental and physical wellness—and we're committed to making it easier for organizations to engage with a best-in-class fitness experience, no matter their size or industry.

Survey methodology: These data were an outcome from a survey conducted in May 2022 of Peloton Members (n=3,145) who received the Peloton benefit from their employer through Peloton Corporate Wellness. All respondents must have been active in the past 60 days to determine behavioral impact and outcomes.



### PRODUCT QUALITY AND SAFETY

At Peloton, product safety is a top priority, and we strive to retain the trust of our Members who use our products. We have a dedicated team of product safety professionals that drive thoughtfully designed processes to help ensure our products, parts, and services undergo a comprehensive safety review.

In the last year, Peloton formalized its oversight of its Product Safety Compliance program through its executive product safety committee (EPSC). The EPSC is comprised of senior leaders responsible for oversight of product safety issues across operations. Our product safety team includes dedicated technical and safety compliance professionals who manage all major safety processes and procedures. The EPSC is also responsible for reporting up to Peloton's risk committee and the audit committee of the Board of Directors, which provides oversight of product safety risks.

We take a comprehensive approach to product safety from new product development safety standards and reviews to post-market safety monitoring, and cooperation with the U.S. Consumer Product Safety Commission (CPSC) and other safety regulators when appropriate.

We continually monitor Members' safety feedback and experiences with our products and incorporate these learnings as part of our continuous improvement efforts. We apply these learnings in voluntary standards development activities to enhance product safety outcomes for all consumers.

In addition, we develop enterprise product safety standards and engage with stakeholders on safety benchmarking and consumer awareness activities. We know that spreading awareness about product safety requires sustained efforts. That's why we have updated our [public-facing safety hub](#) on onepeloton.com that seeks to enhance Member awareness of safety best practices for home fitness, especially when children are present, and includes important safety guidance and recommendations when using our Bike, Bike+, and Tread products.

As part of our safety work, we engage with the following organizations:

- > [The American Society for Testing and Materials \(ASTM\)](#), a global voluntary standards development organization that publishes safety standards for a variety of consumer products
- > [The International Consumer Product Health and Safety Organization \(ICPHSO\)](#), a consumer product safety organization that brings together consumer advocates, consumers, manufacturers, and others, along with the CPSC and other safety regulators

### PRODUCT QUALITY PROCESSES

In the last year, we established a Quality, Safety & Product Lifecycle Management team. This team is responsible for oversight of end-to-end quality, technical product safety and compliance, and all product lifecycle management tools to assure consistency in our design and manufacturing.

Our 3 main manufacturing partners are ISO 9001 certified and follow industry standards best practices to guarantee the quality of our products. Quality is a responsibility of all and is embedded in all phases of our product lifecycle management.

### SMART, SAFE MATERIALS

Peloton is committed to identifying and whenever possible eliminating materials and substances of concern in our products and apparel to meet Peloton's commitment to health and safety of our Members. Our approach to safer materials also helps to avoid materials that could be related to human rights issues in the supply chain.

Read more about our efforts to maintain a responsible supply chain on page 43.



## OUR SOCIAL IMPACT PARTNERSHIPS

We understand the scale and impact of the barriers hindering so many from becoming their best selves.

As the global leader in connected fitness, we recognize our responsibility to help break down those barriers to physical and mental wellness. We have pledged to support leading, action-oriented organizations fighting systemic racism through partnerships that drive real, sustainable transformation. Because none of us win if some of us are being held back.

To drive lasting positive change we:

- > Identify populations within the broader Peloton community that experience systemic racism, discrimination, and health disparities
- > Work to understand barriers to physical fitness and mental health facing our focus communities
- > Foster a spirit of deep collaboration to take the lead from on-the-ground organizations and thought leaders that know best how to meaningfully address the most salient barriers in their communities
- > Measure and leverage data around program outcomes to strengthen our approach to shifting knowledge, attitudes, and behaviors in ways that lead to improved health and wellness

> Maintain an open channel with our partners to understand their ongoing and evolving needs and opportunities for impact, and think creatively about how Peloton can leverage resources to support; because we consider the approach to be as important as the work itself

### OUR PLEDGE PARTNERSHIPS

FY22 marked one year of our Pledge partnerships in action. Through these partnerships, we directly impacted the lives of over 10,000 individuals across our 5 markets (US, Canada, UK, Germany, Australia). All our Pledge partners achieved significant milestones around increasing access to fitness and mental health, and reported that Peloton helped build on their strengths and reduce challenges for their organizations.



### Sporting Equals

Sporting Equals works with a network of grassroots partners to promote ethnic diversity across sport and physical activity in communities throughout London. With Peloton's support, Sporting Equals delivered the London-based project BACK2ACTIVE.

Through this program, Sporting Equals enabled 13 delivery partners to design and deliver sport and physical activities that truly reflected London's rich and diverse culture. These include Bollywood dance, basketball, and women's mixed martial arts, among others.

As of June 2022, the program had reached over 970 participants, 713 of whom were women.

As part of the program, Sporting Equals conducted a rolling survey, which garnered 325 responses. The results of the survey show just how effective BACK2ACTIVE has been in inspiring participation in sport and the awareness of its impact on well-being:

- > 67% of respondents were aware to very aware of the positive impact of physical activities and sport
- > 77.5% of respondents reported taking part in 2 or 3 weekly sessions of sport or physical activity that has made them out of breath
- > 75% of respondents rated their confidence and self-esteem over the past 7 days as average, above average or well-above average



## LISC

### Local Initiatives Support Corporation (LISC)

LISC is a nonprofit dedicated to closing racial health, wealth, and opportunity gaps. Peloton is working with LISC as part of its ambitious racial equity agenda to enhance facilities where people can grow through movement, mindfulness, and more. Together, we're partnering with the Women's Housing and Economic Development Corporation (WHEDco) in the Bronx, New York City; the YMCA of Greater Toledo's Wayman D. Palmer branch in central city Toledo, Ohio; and Claretian Associates in Southwest Chicago to support new and enhanced fitness spaces that include Peloton equipment and programming.

WHEDco has fully activated its new fitness space and begun implementing wellness and fitness programming for Bronx Commons residents and community members with a newly hired wellness coordinator. Programming includes a walking club, mindfulness and movement classes focused on stretching, breath work, and meditation, and wellness workshops. Some of the activities focused on physical fitness include HIIT classes, cardio kickboxing, and introductory strength training.

## Ipso

### International Psychosocial Organisation (Ipso)

Ipso uses an innovative approach to provide culturally responsive mental health resources for the community, by the community in countries worldwide, with a network of counselors from more than 20 nations and thus in over 20 languages. With support from Peloton, Ipso hired a multicultural team of highly professional psychologists and psychosocial counselors trained in Value Based Counseling (VBC) for its counseling center in Berlin. Those hired can offer support in Arabic, Dari/Farsi, Ukrainian, English, Portuguese, and Hindi. The counselors work 20 hours per week for the project and participate in supervision and group sessions.

Peloton also supported Ipso to develop an easy-access mental well-being video app in July 2021. The video chat and daily journaling functions of the app have been programmed as an addition to existing services and connected to the main Ipso platform. It has been translated into Arabic, Farsi, Tigrinya, Somali, Pashto, Hindi, Greek, Italian, French, Russian, Ukrainian, and German in addition to English.

In response to the war in Ukraine, Ipso put together a team of 25 Ukrainian- and 3 Russian-speaking psychologists in early May 2022 to help newly arrived refugees in Germany. These psychologists and VBC counselors provide field support to refugees in local shelters as well as online counseling to refugee shelters all over the country.

### OPENING UP PELOTON GERMANY TO IPSO STAFF

With the outbreak of war in the Ukraine, organizations around Europe began assigning resources to support the refugees that would arrive in the coming months. In Germany, Ipso focused on increasing their counseling capacity in the Ukrainian and Russian languages. Peloton grants were used to help 2 Ukrainian psychologists receive additional training to conduct group sessions. These psychologists were then sent to provide support to refugees in local shelters.

During this critical time, as Ipso rapidly expanded their staffing contingent to offer essential support, our partners mentioned that they were experiencing a shortage of physical space to carry out administrative work. In response, we opened up our Berlin office space to Ipso staff, enabling them to dedicate all of their own office space to counseling sessions.

**"During one of our meetings with the Peloton team in spring, we reported that we were conducting the Self-Experience part of online training with 28 Russian and Ukrainian psychologists in our office and thus had few workstations/rooms for our management. The Peloton team reacted very quickly with a great**



**solution and gave our employees, who made their space available for the psychologists, the opportunity to work at Peloton's office. Peloton's approach is very encouraging, we feel inspired and fully supported. Peloton has understood Ipso's need to invest in scalability and through this partnership, we are able to do so. This is very encouraging for us."**

Maryam Gardisi, Executive Director, Ipso Germany



### The Steve Fund

The Steve Fund promotes the mental health and emotional well-being of young people of color (YPOC), their families and the educators that support them. Thanks to its partnership with Peloton, the Steve Fund has successfully built on its foundation of work dedicated to YPOC at Historically Black Colleges and Universities/Minority Serving Institutions (HBCUs/MSIs) and provision of vital programming and resources for this target audience.

In view of the devastating health, emotional, social, and economic impact of the pandemic on communities of color over the grant period, support from Peloton facilitated the Steve Fund's successful launch of partnerships with 10 HBCUs and helped to increase the organization's number of MSI partnerships. The Steve Fund kicked off partnerships offering workshops, support groups, community conversations, and an annual convening, serving the needs of YPOC and their families. The organization surpassed the grant goals of reaching more than 2,000 young people and their families and in particular increasing their reach to young women of color.



### TAIBU Community Health Centre

TAIBU focuses on strengthening the health and well-being of Black communities across the Greater Toronto Area (GTA) through culturally appropriate physical fitness activities and health promotion programs. Peloton is working with TAIBU to support these initiatives, which engage and promote healthy activities across generations.

During FY22, this support enabled a series of 8-week physical fitness and wellness programs for Black communities, including the Black Health Challenge (BHC), Black Youth Health Challenge (BYHC), and Black Men's Health Challenge (BMHC). Each program was designed to increase access to culturally relevant physical fitness and wellness spaces through community-centered programming.

The BHC is a fitness and wellness program open to any member of the Black community and, during FY22, it took place at 5 different in-person locations, as well as through one virtual program.

The BYHC was designed for Black youths ages 10–25 in collaboration with Black-owned and run boxing gyms.

The BMHC focused on supporting Black men with a series of fitness and wellness workouts. Each program is accompanied by health education workshops at appropriate intervals based on relevant group-specific themes, such as nutrition and dieting, and stress management.



### Beyond Blue

Beyond Blue is a deeply community-centric organization that has provided resources for people at all stages of the mental health continuum for over 20 years. We are proud to support the creation of Beyond Blue's new peer-to-peer online services for all people in Australia, including Aboriginal and Torres Strait Islander people and other communities. This platform aims to increase connectedness, reduce stigma around mental health, and provide access to culturally safe mental health support.

In FY22, with Peloton's support, Beyond Blue's online peer-support forums were digitally upgraded through the Peer-to-Peer Online Communities project. As of June 2022, the new platform had 40,000 active members, 4,000 monthly posts and 62,759 unique users who viewed the platform.



Boston University Center for Antiracist Research

### Center for Antiracist Research

The Center for Antiracist Research at Boston University aspires to build an anti-racist society that ensures racial equity and social justice. Led by one of today's foremost anti-racist scholars, Dr. Ibram X. Kendi, it is focused on uprooting the hows and whys of racial inequities. Through its partnership with Peloton, the Center employed youth-led participatory action research to analyze and address the effects of racism on fitness and mental health.

This support enabled research that explored Youth Participatory Action Research (YPAR) activism and organizing as a mental health intervention for Black, indigenous, and people of color (BIPOC) youth. The research was a joint collaboration between the Boston University School of Social Work and The City School, which aims to develop and strengthen youth to become effective leaders for social justice.

The study aimed to explore the following questions: What are best practices for mental health and collective care for young BIPOC people? How can organizing and political education be effective mental health interventions? Can YPAR advance anti-racist policy and practice?

Overall, 13 members of The City School's Summer Leadership Program were trained in the Liberation Health triangle, for use with youth participants in the summer program, and 35 young people in the program were facilitated to map the complex personal, ideological, cultural, and institutional factors contributing to mental health challenges identified by youth.

As a result of participation in this study, students reported a +17.9% change in their beliefs and knowledge about mental health and community care. Based on the results of this study, the Center will be collaborating with The City School to disseminate information through speaker series and academic journals, as well as creating trainings for other youth-serving organizations on the Liberation Health model.



### GirlTrek

GirlTrek is America's largest nonprofit focused on the health of Black women and girls. The organization aims to inspire its network of over 1.3 million Black women and girls to use daily walks as a practical tool for healthy lives, families, and communities.

Our first collaboration has centered on the development of a series of digital and in-person experiences that bridge place, history, storytelling, and programming to help women reclaim the narratives of their own lives and communities through walking.

With Peloton's support, GirlTrek was able to train and certify 17 College Ambassadors at HBCUs. With expanded resources, GirlTrek has enhanced some of its staple programs such as Black History Bootcamp, GirlTrek 21-Day Jumpstart Challenge, and Walking Remix.

We are honored to be working with this organization in addressing health inequity through the power of movement.



### PELOTON X GIRLTREK WALK

On 4th of July weekend 2022, we co-hosted a walk in New Orleans with our Peloton Pledge partner GirlTrek. Led by Peloton instructors Kirsten Ferguson and Jess Sims, and joined by Ally Love and Marcel Dinkins, we brought Peloton Outdoor Walks to life with over 30 GirlTrek members in New Orleans to celebrate #BlackGirlMagic and wellness.



### HERITAGE PARTNERS

We also work closely with a group of carefully selected cultural heritage partners who are enabling greater allyship across society.



#### 261 Fearless

261 Fearless is a global organization helping women from varied backgrounds gain self-esteem and grow in fearlessness through running in the US, UK, Germany, Canada, and others. With support from Peloton, 261 Fearless now provides programs for approximately 800 women in 12 countries. This has included increased participation by 97 women in the US, 58 women in the UK, and 31 women in Germany. The organization is also delivering ongoing coach education for 163 certified coaches.



#### The 519

The 519 is a Toronto-based center that responds to the evolving needs of the 2SLGBTQ communities, including families with young children, through counselling services, support groups, and fitness and mental health programming. With support from Peloton, The 519 was able to provide tai chi, yoga, and dance programming for children under the age of 6. In addition, The 519 purchased new sporting equipment, including tennis rackets and table tennis sets, as well as social and physical interaction sessions for LGBTQ+ refugee claimants.



#### Ali Forney Center

The Ali Forney Center is an organization that protects LGBTQ+ youth from the harms of homelessness and empowers them with the tools needed to live independently. Peloton is proud to support the Ali Forney Center's mental health services for LGBTQ+ youth, which enabled the Center to onboard its first Assistant Director of Mental Health Services. This new position allows for increased clinical supervision of all mental health staff, and also expands the center's overall capacity for providing high-quality mental health services for homeless LGBTQ+ youth.



#### Asian American Federation

The Asian American Federation (AAF) works to further justice, wellness, and opportunity for Asian American communities. Building on our existing partnership, Peloton has been supporting AAF's mental wellness initiatives for Asian American individuals and families. Through this grant, the AAF was able to provide extensive programming and services through its Hope Against Hate Campaign to support the mental well-being of individuals and families impacted by the anti-Asian violence crisis. This included 21 community education workshops and panels for 2,838 community members to address the trauma, grief, and other mental health impacts of anti-Asian violence and victim support services for 21 individuals.



#### GLADT

GLADT is a Berlin-based organization that provides well-being support to Black and PoC LGBTIQ+ people through counselling, workshops, and events. Peloton is proudly supporting GLADT's mental wellness programs, including therapy for 11 community members and the services of 8 additional mental health experts.



#### Hispanic Scholarship Fund

We work with the Hispanic Scholarship Fund (HSF) to empower courageous leaders. We're proud to accelerate their work to provide critical support services, including mental and physical wellness, to Hispanic students. With our contribution, HSF was able to continue its student and parent support services that help students and parents save, plan, and apply for college, as well as its programs to provide mentorship, leadership training, and development.



### London Friend

London Friend provides counseling and support group services for the LGBTQ community. With Peloton's support, London Friend expanded their work to support the mental health and well-being of LGBTQ people. In particular, Peloton's support is enabling the Pathfinder Transition, which is helping to make transitioning in or out of military life as seamless as possible. This has included funding core positions in the organization that have developed further social and support groups, and counselling service. This has been especially important as support services moved back into in-person events after the COVID lockdowns.



### USO

Peloton has partnered with the United Service Organizations (USO) to strengthen America's service members and their families. This included programs to support the transition to a civilian career, and events to help connect military spouses. By partnering with Peloton's instructors during Military Spouse Appreciation Week, the USO hosted their most well-attended military spouse event to date, providing critical connections to military spouses, who often experience social isolation due to frequent moves and the pressures of the military lifestyle. In addition, Peloton funded the Pathfinder Transition program to support service members during their military career, including free online certifications to upskill and prepare service members and military spouses for meaningful careers.

### HBCU PARTNERS

In FY21, we launched our partnership to celebrate Homecoming season for students at HBCUs, curated with Beyoncé. In FY22, we once again partnered with these 10 HBCUs to provide the campuses with Peloton Bikes. This builds on our shared commitment with Beyoncé to inspire a generation of HBCU students to source their physical and mental power through movement, by providing access to best-in-class fitness and wellness content. Our HBCU partners are Bennett College, Clark Atlanta University, Grambling State University, Hampton University, Howard University, Morehouse College, Morehouse School of Medicine, Spelman College, Texas Southern University, and Wilberforce University.

In addition, thousands of students redeemed gifted Peloton App Memberships at the onset of the partnership, ensuring students can enjoy Peloton's library of content with no equipment required.

FY22 also saw the return of the Peloton x Beyoncé Artist Series, with 72 hours of powerful content, across 17 classes over a 3-day period, available to all on the Peloton App, Bike, Bike+, and Tread.





## ECONOMIC EMPOWERMENT AND SUPPLIER DIVERSITY

Together, we go far. That means all of us. That belief drives Peloton to connect with our Members, our social impact partners, our community, and our suppliers. We know that we have the platform to enable other businesses and innovators to succeed.

We honor the spirit of the Peloton Pledge when we ensure our business practices address systemic inequity by supporting other businesses and institutions who have historically faced systemic racism and discrimination.

### ECONOMIC INCLUSION + SUPPLIER DIVERSITY

In FY21, we launched a new procurement team to create economic opportunities for traditionally underrepresented suppliers. Economic Inclusion + Supplier Diversity (EISD) will help us grow and sustain an inclusive supply chain that follows equitable sourcing practices. Through EISD, we are starting to proactively engage, evaluate, and develop relationships with qualifying suppliers. As part of this process, we will also expect all suppliers to aspire to our responsible business practices and commitments around DEI, ESG, and equitable sourcing.

In FY22, we:

- > Deployed a dedicated team lead for EISD
- > Established a data assessment and internal reporting process
- > Joined memberships with NGOs such as the [National Minority Supplier Development Council \(NMSDC\)](#); [Women's Business Enterprise National Council \(WBENC\)](#); [National LGBT Chamber of Commerce \(NGLCC\)](#); [National Veteran Business Development Council \(NVBDC\)](#); and [Disability.In](#), gaining access to diverse suppliers, as well as networking and learning opportunities
- > Launched internal resources to support Procurement and broader Peloton teams
- > Engaged a subset of existing suppliers to begin gaining visibility into supplier policies, practices, programs, and metrics related to DEI





### EQUITABLE SOURCING WITH SEEN

At Peloton, an inclusive supply chain includes the procurement of products and services from underrepresented entrepreneurs and diverse suppliers that identify or certify as MBE (minority), WBE (women), LGBTE (LGBTQIA+), VBE (Veteran), DOBE (disabled), and other DBEs (diverse business enterprises).

Equitable sourcing helps Peloton practice responsible business, which includes holding suppliers accountable to our same values, and commitments to ESG and DEI, as well as sensible risk requirements, pay terms, and policies that enable social and economic opportunities within underrepresented communities. SEEN—Sustainable Economic Empowerment Network—is EISD’s branded platform initiative to realize these outcomes.

In the coming year, we plan to roll out e-learning material for our internal team members, including EISD training through the Peloton Academy. In addition, we intend to increase engagement with our small and traditionally underrepresented suppliers to understand how we can better support each other. This will include the first phase of a supplier mentorship and development program.

### TREASURY INVESTMENTS

Another way we use our business practices to generate positive social and community impact is by carefully choosing how we manage and invest our assets. That is why we were one of the first companies to join J.P. Morgan's Empowering Change program. Started in February 2021 and continuing through 2022, the program directs J.P. Morgan’s corporate investor client assets toward minority-owned, specifically Black, Hispanic, and Latino-owned and -led, Minority Depository Institutions (MDIs) and Community Development Financial Institutions (CDFIs), such as banks that are locally owned and that work to serve businesses and families in the community.

This creates a new and sustainable revenue stream and economic opportunity for participating financial institutions and helps connect them with large corporate clients. The program also provides institutions with full access to J.P. Morgan’s asset management resources, including training, operational and client service support, coordinated strategic sales and marketing plans, as well as access to the Morgan Money digital investment platform.

Because the Empowering Change program works with multiple partners, we can invest in institutions that have the power to drive positive change and opportunity in their communities with one transaction. That makes the Empowering Change program a scalable option that helps us deploy our assets to make a long-term impact and bring value to communities.



# FOR THE WELL-BEING OF OUR PLANET

We know that sustainability is crucial to the stability of our shared society. It's vital for the health of our planet and it impacts the resilience of our business. Our purpose is to motivate the world to live better, and we know believing in better is about hope for the future. We have a part to play in protecting our world and future generations, which is why we're committed to improving the environmental sustainability of our business and being part of the solution.



We're pleased to announce Peloton's initial set of sustainability targets to use 100% renewable electricity for our direct operations by FY26, reduce and maintain low air freight levels, improve our landfill diversion, pilot and expand circular business models, and transparently share our progress throughout our journey.

As we move forward and work to integrate environmental sustainability principles throughout our business, we continue to be guided by our aspirations to:

**Create fitness that leaves a mark on the world, equipment that doesn't**

Continuously improve the environmental impacts of our products and accessories, from materials to manufacturing

**Reclaim materials** Pursue circular solutions across our products, supply chain, and interactions with Members and team members

**Wear sustainability on our sleeve** Tackle environmental challenges head on across our apparel business, from design to use and beyond

**Power up for the clean energy future** Look for opportunities to power our operations with carbon-free electricity

**Move from factory floor to final mile, and back again, without a trace** Seek efficiency and decarbonization opportunities across our business operations and logistics network

This is how we're living our conviction that, individually and collectively, we can help create a better future.

**OUR TARGETS**

Source **100% RENEWABLE ELECTRICITY** for our direct operations by FY26\*

Explore and expand **CIRCULAR BUSINESS MODELS**, including refurbishment and Fitness as a Service

**MAINTAIN TRANSPARENCY**, including disclosing our Scope 1, 2, and 3 emissions and TCFD climate risk analysis

**DEVELOP AND PUBLISH** product carbon footprints for our key connected fitness products by FY24\*

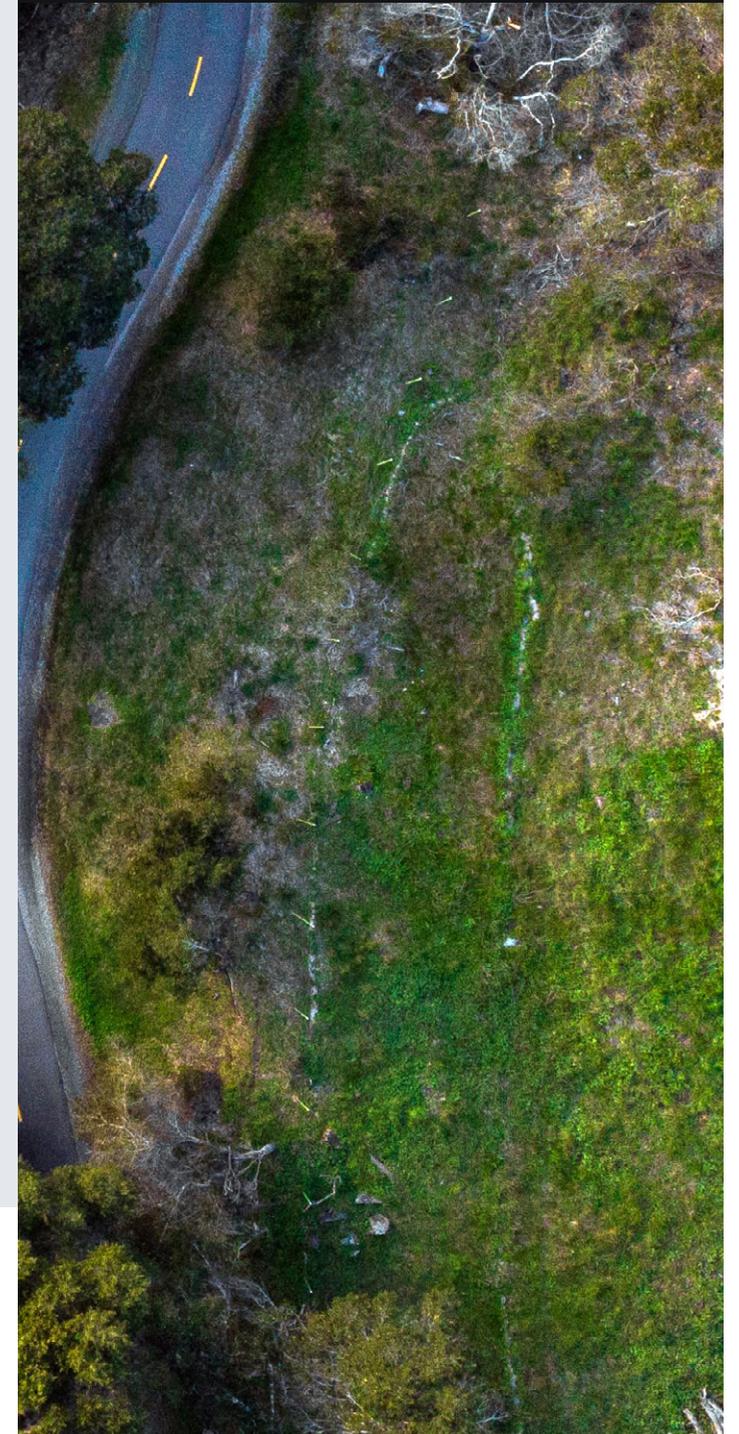
Improve **ENERGY EFFICIENCY** and **LANDFILL DIVERSION** at our distribution centers\*

**REDUCE AIR FREIGHT** by 95% from a FY21 baseline, and maintain air freight at less than 2% of production units shipped annually\*\*

\* In this year's report, we are introducing our initial environmental sustainability targets and reporting on progress across some of the focus areas. For some targets, we will begin reporting on progress in FY23 and beyond.

\*\* Production Units in scope: Tread, Bike, and Row product lines.

**IN THIS SECTION**  
**CLIMATE CHANGE AND EMISSIONS**  
**PRODUCT STEWARDSHIP**





## CLIMATE CHANGE AND EMISSIONS

We believe that our business—from how our products are made to the way our Members experience our services—can contribute to the fight against climate change.

Throughout FY22, we have continued to integrate a climate-focused approach across our business. For example, we conducted our first qualitative climate risk assessment to understand the impact that various potential climate change risks and opportunities could have on our business. We then used this information to prepare our first CDP disclosure in line with TCFD recommendations. As part of this process, our teams have integrated climate risks into Peloton's Enterprise Risk Management (ERM) program, which assesses risks from across our entire value chain.

Looking ahead, we intend to build on this essential foundational work by collaborating with a cross-functional group of team members within Peloton to strengthen our risk assessment process. Specifically, we plan to apply our learnings to a more robust and quantitative assessment of climate-related risks and opportunities. We will also continue to build out programs and initiatives for our newly launched targets that we intend to start reporting against more substantially next year.

In terms of governance, we enhanced executive oversight of climate issues with the launch of our new ESG steering committee. The committee comprises committed senior executives from a variety of functions across the business. In its first year, the committee has been instrumental in developing and approving our new sustainability targets. In addition to this executive oversight of our climate strategy, the nominating, governance, and corporate responsibility (NGCR) committee of our Board of Directors continues to maintain oversight of climate issues.

### OUR CLIMATE TARGETS

- > Source 100% renewable electricity for our direct operations by FY26\*
- > Improve energy efficiency and landfill diversion at our distribution centers\*
- > Maintain transparency, including disclosing our Scope 1, 2, and 3 emissions and TCFD climate risk analysis
- > Develop and publish product carbon footprints for our key connected fitness products by 2024\*
- > Reduce air freight by 95% from a FY21 baseline, and maintain air freight at less than 2% of production units shipped annually\*

\* Reporting from FY23 and beyond





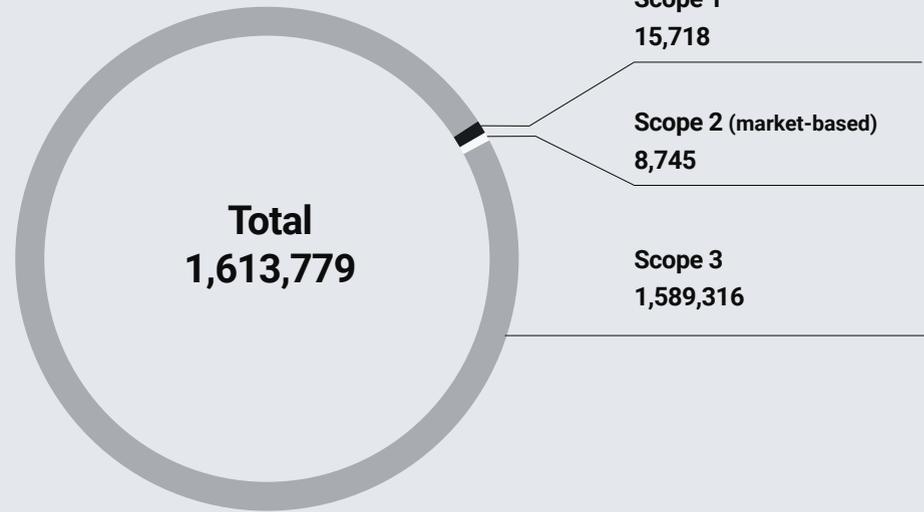
## ACCOUNTING FOR IMPACT

In our 2021 ESG Report, we provided Peloton's first disclosure of our FY21 Scope 1 and 2 greenhouse gas (GHG) emissions,\* which come from our direct operations. At that time, our total Scope 1 and 2 GHG emissions (market-based) were 24,582 metric tons of CO<sub>2</sub>e, with fleet vehicles accounting for approximately half of our footprint and the remainder split between energy consumption from the grid and stationary combustion. Our FY21 carbon footprint, including Scope 3 emissions (those emissions that come from sources outside our direct operations, such as our supply chain) is disclosed in our first CDP climate change response. In FY21, our Scope 3 emissions were 1,942,507 metric tons of CO<sub>2</sub>e and make up the significant majority of our carbon footprint. This distribution is typical for any business with product manufacturing in its value chain.

In our 2022 ESG Report, we are pleased to disclose our FY22 Scope 1, 2, and 3 emissions.\*

\* Emissions associated with Precor and its subsidiaries are excluded from our FY21 and FY22 GHG inventory. Additionally, the following Scope 3 emissions categories were not material to our operations in FY21 and FY22 and are therefore excluded from our GHG inventory: GHG Protocol Categories 9, 10, 13, 14, and 15.

### PELOTON CORPORATE EMISSIONS WORLDWIDE FOR FY22 (metric tons CO<sub>2</sub>e)



<b>Scope 1</b>	<b>15,718</b>
Mobile combustion	7,510
Stationary combustion	8,123
Industrial gases	85
<b>Scope 2 (location-based)*</b>	<b>8,266</b>
Purchased electricity	8,264
Purchased heat and steam	2
<b>Scope 2 (market-based)*</b>	<b>8,745</b>
Purchased electricity	8,743
Purchased heat and steam	2
<b>Scope 3</b>	<b>1,589,316</b>

\* Our location-based emissions are those emissions generated from grids we are using directly, usually due to proximity or infrastructure. Market-based emissions are those emissions from energy providers we use that might include different kinds of bundled energy attributes and that may be selected for financial benefits.

## ENHANCING TRANSPARENCY WITH THE CDP

In July 2022, we took an important step toward greater transparency around climate-related impacts, risks/opportunities, and approach to management when we responded to the CDP 2022 climate change questionnaire. We were pleased to provide the requested information to CDP's Capital Market Signatories and demonstrate our commitment to actively engaging with our broader stakeholder community on climate-related disclosures. We will continue to report to the CDP and also hope to continually strengthen our disclosures and, by extension, our transparency on our climate performance. Our FY21 TCFD Index can be found [here](#).





## PRODUCT STEWARDSHIP

Our products form a significant part of our overall environmental impact. Building them with sustainability in mind and being smart about the materials we choose and how we use resources is key to reducing our overall footprint.

### OUR PRODUCT TARGET

> Explore and expand more circular business models, including refurbishment and Fitness as a Service

## CIRCULAR BUSINESS MODELS

Keeping products out of landfill and using fewer virgin materials is essential to reducing our environmental impacts. That's why waste reduction at Peloton starts with making sure that our quality products are robust so that they can have a long working life. Of course, over time and with use, products experience wear and tear, and sometimes consumers will want to upgrade as they go farther on their personal fitness journeys. Introducing and expanding circular business models will present new ways for our current and future Members to experience our products, making them an integral part of our sustainability journey.

In August, we launched a limited 10-day test of Peloton certified pre-owned (CPO) Bike sales in the US and Germany. For many years, we have operated a refurbishment program for friends and family. We're pleased to build on this effort and expand the program to an official Peloton certified pre-owned offering for our Members. This recently launched program gives pre-owned Bikes a second life with a new owner. The consumer response significantly outperformed our expectations and we plan to explore ways to scale up this program.

This year, we also piloted a new Peloton Rental Program in the US, which enables Bikes to be leased and which is part of our focus on Fitness as a Service (FAAS). We've been operating the program in limited test markets and, since June, roughly 20% of all first-generation Bikes have rented under this program. This equates to more than 5,000 Members leasing a first-generation Bike with All-Access Membership.

Together, these programs not only enable more people to join the Peloton community by lowering the financial barrier

to entry, they also help us build circularity into our business approach by extending the useful life of Peloton Bikes. We're also thinking about how to reduce waste at our distribution centers and integrating circularity into processes where possible. For example, in FY22, our Reverse Logistics team found new ways to keep products in use and repurpose returned accessories, including shoes, weights, and workout mats. Teams across the company worked together to route items to retail showrooms, on-site team member gyms, and social impact nonprofit partners. This initiative is an ongoing pilot and an example of a grassroots initiative led by our passionate team members. In the coming years, we intend to work closely with our distribution center teams to establish further comprehensive sustainability initiatives and make progress on our new goals to improve landfill diversion and capture energy-efficiency opportunities.





# OPERATING WITH INTEGRITY— OUR FOUNDATIONS

Our actions as a company are guided by our values and guiding principles, including operating with honesty and integrity in all our business activities. As a company that aims to help others be their best selves, we hold ourselves to the highest possible standards. Our Code of Conduct and associated compliance policies and procedures provide the framework that guides how we operate, work with partners, and treat our Members. We set high expectations for continuously improving our culture of compliance, open reporting processes, and compliance learning program.

## IN THIS SECTION

GOVERNANCE AND ENGAGEMENT

LIVING OUR ETHICS AND VALUES

MAINTAINING A RESPONSIBLE SUPPLY CHAIN

POLICY AND ADVOCACY



## GOVERNANCE AND ENGAGEMENT

**Our Board of Directors (the Board) sets the standard and tone for responsible behavior across our company and oversees our risk management.**

We believe that our Board should represent diversity of background and experience, and should be mostly independent. Our governance structure is designed to ensure transparency, accountability, and ethical behavior, and to promote the long-term interests of our stockholders.

Our Board consists of 7 members. More than half of the Board's seats are held by members of traditionally underrepresented communities: women, people of color, and/or LGBTQIA+. The Board has established 3 committees:

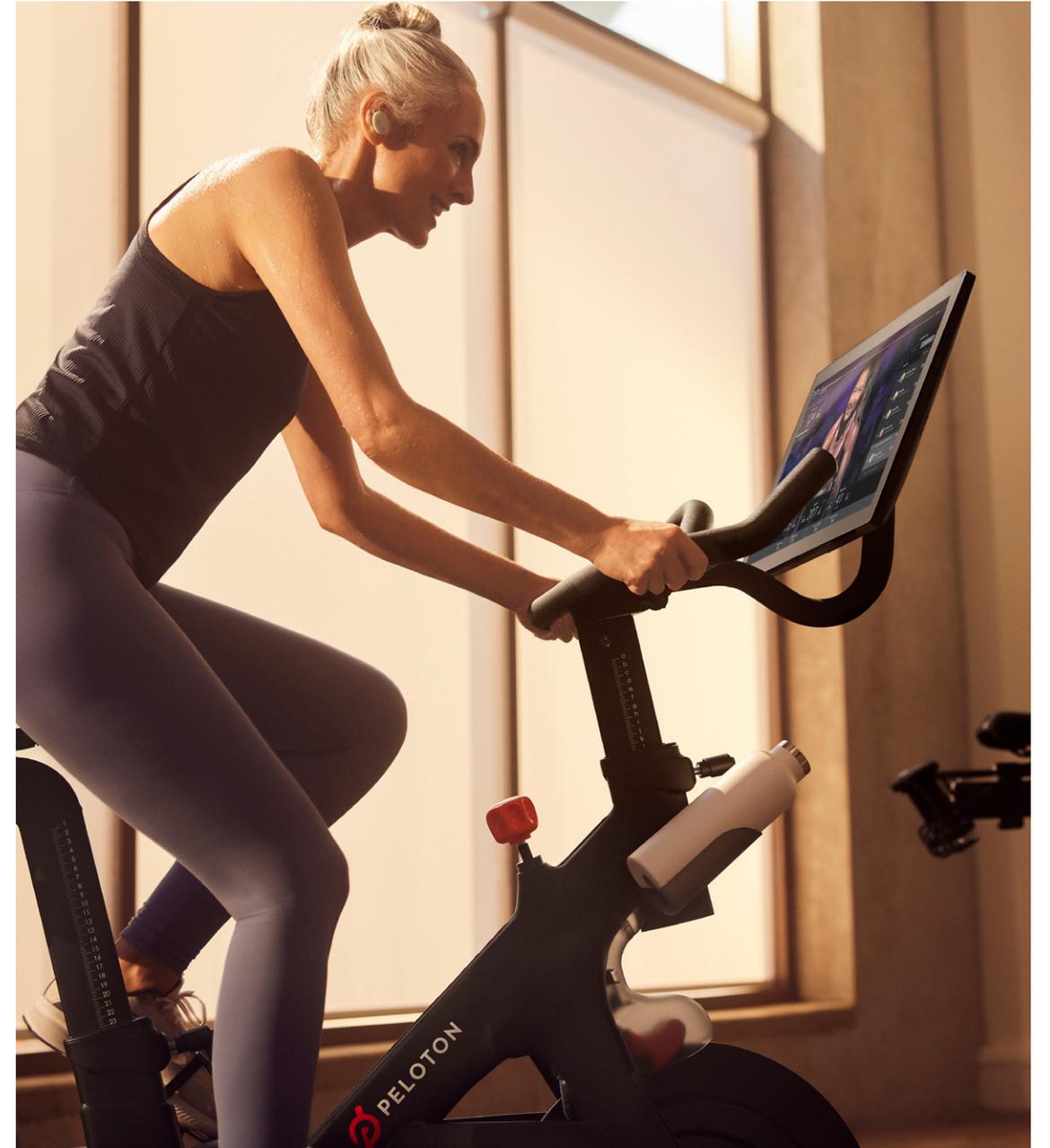
- > [Audit committee](#)
- > [Compensation committee](#)
- > [Nominating, governance, and corporate responsibility committee](#)

As part of our philosophy of following strong governance principles, we employ the following Board and leadership practices:

- > The Board has appointed an independent Chairperson of the Board with well-defined rights and responsibilities
- > All Board committees are composed of independent directors
- > Our NGCR committee oversees our programs relating to corporate responsibility and sustainability, including environmental, social, and corporate governance matters and related risks
- > Our Vice President of ESG Strategy, provides regular updates to the NGCR committee

In FY22, we launched our new ESG executive steering committee to ensure that issues and challenges material to our impact on people and planet become part of our executive agenda and leadership thinking. All members of the ESG steering committee are senior executives at Peloton. Their responsibilities include advising on corporate ESG positioning and practices, and enabling progress toward Peloton's ESG priorities. The committee is chaired by our Vice President of ESG Strategy.

At our [investor website](#) you can read our Corporate Governance Guidelines, Committee Charters, and our latest Proxy Statement to find out more about how we approach corporate governance.





## LIVING OUR ETHICS AND VALUES

Peloton is committed to maintaining our culture of compliance and ensuring that our team members, partners, and other third parties are aware of and reflect our values and guiding principles.

Our Compliance and Ethics program includes processes to address team member questions and concerns, especially when facing difficult business situations that may raise ethical questions. We expect team members to ask questions and seek guidance from their people leaders and from the Compliance, Risk, and Ethics team when in doubt about whether a business situation presents a possible concern.

### THE CODE OF CONDUCT

Peloton's Code of Conduct (the Code) is an expression of our standards for conduct and ethical business practices and reflects how we intend to operate as a company. All Peloton team members and business partners are expected to carry out our business in ways that embody principles of honesty, ethics, respect for others, and integrity, in compliance with the Code. The Code also outlines how team members can speak to people leaders or to the Compliance, Risk, and Ethics team, the Chair of the audit committee, or the Chair of the NGCR committee in the event of suspected violations. The audit committee can ask senior officers for reports at any time about how the Code is being implemented and can take any steps it deems necessary (within the limits set by the Code) to strengthen that implementation. Team members are required to acknowledge the Code of Conduct at onboarding.

### ANTI-BRIBERY AND ANTI-CORRUPTION

We do not tolerate corruption, bribery, or unethical business practices in any form. Any team member, business partner, or other third party with whom Peloton conducts business is prohibited from offering, giving, demanding, or receiving bribes or any other improper benefits pursuant to our Anti-Bribery and Anti-Corruption Policy. Our policy, along with Anti-Corruption FAQs, is made available to team members on our company intranet. The document includes information on how to spot "red flags" related to bribery and corruption, and guidance on how to report concerns. Our Head of Compliance, Risk, and Ethics, in coordination with Internal Audit, Treasury, Legal, and other stakeholders, is responsible for ensuring adequate processes and procedures to make sure this policy is effective.

### COMPLIANCE PROGRAM ELEMENTS

Our Compliance program reflects Peloton's commitment to operating with integrity and honesty in all our business dealings. Our Compliance program includes:

#### Tone at the top

Peloton's leaders and people leaders set the tone at the top on integrity and ethics in how we manage our business.

#### Governance and resources

Ensuring that the Compliance program is properly resourced, and that governance structures are in place to manage top compliance risk areas.

#### Risk assessments

Conducting regular risk assessments across areas such as product safety, privacy and security, labor and employment compliance, EHS, ethics, trade compliance, and more.

#### Policies and procedures

Ensure compliance policies and procedures are continually updated to reflect current risk environment and applicable legal and policy developments.

#### Compliance controls

Developing and implementing controls within business systems and processes to mitigate compliance risks.

#### Awareness and training

Ensuring an effective compliance learning program that delivers timely, risk-based training to improve team member awareness and reinforce compliance procedures and controls.

#### Monitoring

Monitoring controls to ensure that the company's Compliance programs are effective and looking continuously for opportunities to improve them.

#### Reporting and investigations processes

Maintaining anonymous reporting channels and documented investigation processes, and taking corrective action(s) as necessary.



## REPORTING OF MISCONDUCT

Under our Code, we expect team members to speak up when they see a potential violation of law or company policy. We prohibit all forms of retaliation and discrimination for reporting concerns or participating in an investigation. Through our Compliance program, we conduct timely investigations of potential concerns of violations of law and company policy and, when appropriate, take corrective action. The company has provided multiple means to raise concerns, including with a people leader, with the Compliance, Risk, and Ethics team, with the Team Member Relations team, and by other means.

We also maintain an anonymous ethics reporting hotline in the US (1-844-720-2846) and [online reporting tool](#) managed by a third-party platform for Peloton team members and business partners to use to raise questions or concerns. We prohibit retaliation against team members who raise a concern or who participate in an internal investigation.

## DATA AND PRIVACY PROTECTIONS

As a connected fitness company, we are helping to co-create a digital community of millions. Our Members trust us with their valuable personal data and we are serious about providing a safe and secure experience, protecting and respecting their information. We invest in various technical and physical safeguards to keep data secure based on our information security policies and procedures, and outline our approach to management of personal information in our [Privacy Policy](#). Our risk committee and audit committee regularly review risks related to cybersecurity and data privacy.

Our Information Security program partners with Enterprise and Product engineering teams at Peloton to consult on architecture and design of solutions to ensure our products and services are secure by default and maintain the expected security bar throughout the product life cycle. This also includes the use of internal and third-party audits as part of its risk management strategy. We perform user access reviews and external penetration tests annually, along with on-demand tests when there have been significant changes or additions to the technology platform.

Our security team reviews all audit findings to assess and address risks, in line with our Vulnerability Management Policy. We align with the National Institute of Standards and Technology Cybersecurity Framework and Mitre Attack Framework when performing self-assessments, which are carried out annually by internal and external parties. Third-party vendors and services are also evaluated for potential security risks through our Vendor Technology Risk program to identify and mitigate potential data security risks prior to contract finalization.

In addition, our Code of Conduct sets forth the expectations we have of team members to protect Peloton's assets, when it comes to both physical and intellectual property (including proprietary designs, trademarks, product prototypes, and more), and clarifies the consequences of carelessness in handling these materials.

In FY22, we launched mandatory security engineering training for all newly hired engineers. This is in addition to our ongoing annual general security awareness training. Together, these programs help ensure that our products are designed and developed with security in mind.

## LABOR RIGHTS

While we underscore our belief in free and voluntary employment, we do not currently have a specific Freedom of Association Policy. Some of our instructors are covered by collective bargaining agreements with the Screen Actors Guild—American Federation of Television and Radio Artists (SAG-AFTRA), but we are not signatories to any agreements with SAG-AFTRA. With the exception of SAG-AFTRA, none of our domestic team members are currently represented by a labor organization and team members in non-US locations are not covered under a collective bargaining agreement.





## MAINTAINING A RESPONSIBLE SUPPLY CHAIN

We seek to work with suppliers who are aligned with our values and support the protection and promotion of human rights, and are committed to reducing environmental impacts throughout their supply chains.

### SUPPLIER CODE OF CONDUCT

In selecting suppliers, Peloton seeks to do business with reputable suppliers who are committed to ethical standards and business practices consistent with those of Peloton. We expect our suppliers to adhere to the integrity standards and guiding principles set forth in Peloton's Code of Conduct and embodied in our supplier agreements. We are formalizing a Supplier Code of Conduct (SCoC), which clearly outlines the key principles by which suppliers to Peloton are required to operate. We will encourage suppliers to go above and beyond the SCoC and not regard these principles and standards as a ceiling.

The SCoC carries forth Peloton's integrity commitments from our current Supplier Terms & Conditions and Code of Conduct. One core principle of our SCoC will be that no supplier shall use involuntary or forced labor of any kind including the use of child labor or business practices which rely on or encourage human trafficking. Other risk areas we

address include labor practices, worker health and safety, environmental practices, and governance and compliance processes. The SCoC will include standards for meeting product safety and quality requirements for Peloton's products and services. We monitor our suppliers on an ongoing basis through audits and require that they notify Peloton of any non-compliance with our standards.

### TRANSPARENCY AND DUE DILIGENCE

At Peloton, we are committed to ensuring a responsible supply chain following recognized international due diligence frameworks to help to ensure our products are free of conflict minerals. We maintain a separate [Conflict Minerals Policy](#) that sets forth our expectations from suppliers that work with materials, which is available on our website. Toward the end of FY22, we published our first [Conflict Minerals Report](#) with the Securities and Exchange Commission. Based on due diligence conducted in accordance with the guidelines set forth by the Organisation for Economic Co-operation and Development (OECD), of the 228 smelters and refiners we audited, 206 conformed with the Responsible Minerals Assurance Process (a 90% conformance rate). The response rate for our suppliers was 71.59%. We also became members of the Responsible Minerals Initiative to strengthen our commitment to responsible sourcing.

Additionally, in FY22, to enhance the transparency of our supply chain, we undertook an ESG Supplier Assessment with a small subset of our suppliers. This assessment covered multiple topics, including general company information, and corporate social responsibility and environmental, social, and governance issues. We plan to implement this ESG Supplier Assessment with a greater number of suppliers in FY23.



## POLICY AND ADVOCACY

We don't just want to advance equity and access to wellness in the Peloton community—we want to help change the world beyond.

Peloton does not make political contributions. Instead, we are proactively engaging with policymakers and thought leaders around the world to amplify impact and advocate for broader access to physical and mental health for all. In FY22, we continued this work in the following 3 ways.

### 1. ADVOCATING FOR EQUALITY

In FY21, we lobbied congressional leaders in support of the equality act and reaffirmed our participation in the Business Coalition for the Equality Act. We also joined over 200 companies supporting the protection of LGBTQ individuals against discrimination under federal law. Building on this, we renewed efforts to lobby for the Respect for Marriage Act. This legislation would nationally codify federal marriage equality by guaranteeing the federal rights, benefits, and obligations of marriages in the federal code.

### 2. SUPPORTING VETERANS' HEALTH

Peloton was proud to support legislation within the 2023 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act that was passed by the U.S. House of Representatives, which ensures veterans receive the care they deserve, including mental health care and increased programmatic efforts to access digital, at-home fitness resources.

### 3. PROMOTING ECONOMIC RECOVERY

Peloton supported federal efforts to invest in US infrastructure, ease supply chain challenges, and bring costs down for consumers. We joined the bipartisan calls for both the Infrastructure Investment and Jobs Act and the Ocean Shipping Reform Act of 2022, and were gratified to see both become federal law. In our hometown, we served as part of Mayor Eric Adams' Business Leadership Council to contribute to his plan to enable a safer, healthier, prosperous, and more equitable New York City.





## FORWARD-LOOKING STATEMENT

This report includes goals, initiatives, and forward-looking statements (Forward-Looking Statements) that are statements other than statements of historical facts and statements in the future tense. These statements include, but are not limited to, statements regarding execution of, and the expected benefits of, our restructuring initiatives and cost-saving measures, our future operating results and financial position, our business strategy and plans, market growth, our ESG initiatives, strategies and plans, and our objectives and future operations. In some cases, you can identify Forward-Looking Statements by terms such as “aim,” “may,” “will,” “should,” “expect,” “believe,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” “seeks,” or “continue” or the negative of these terms or other similar expressions, although not all Forward-Looking Statements contain these words. Forward-Looking Statements are based upon various estimates and assumptions, as well as information known to us as of the date hereof, and are subject to risks and uncertainties. Accordingly, actual results could differ materially, and adversely, due to a variety of factors. These risks and uncertainties include, but are not limited to, those described under the caption “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2022, and our other Securities and Exchange Commission (SEC) filings, which are available on the Investor Relations page of our website and the SEC website.

All Forward-Looking Statements contained herein are based on information available to us as of the date hereof and you should not rely upon Forward-Looking Statements as predictions of future events. The events and circumstances reflected in the Forward-Looking Statements may not be achieved or occur. Although we believe that the expectations reflected in the Forward-Looking Statements are reasonable, we cannot guarantee future results, performance, or achievements. We undertake no obligation and expressly disclaim any duty to update any of these Forward-Looking Statements for any reason after the date of this report or to conform these statements to actual results or revised expectations, except as required by law. Undue reliance should not be placed on Forward-Looking Statements.

The information indicated herein is subject to the precision of our data collection and analysis method, which is subject to future evolution and calibration. Such information is subject to additional uncertainties, as there are limitations inherent in our data collection and analysis method. While we consider information from external resources and consultants to be reliable, we have not independently verified such information and do not assume responsibility for its accuracy. Additionally, all numbers referenced are subject to the quality and comprehensiveness of the reporting received by Peloton from internal and external sources and, therefore, are approximate and/or estimated values. It is also important to note that the availability of data varies from section to section of this report. Non-financial information, such as that included in parts of this report, is also subject to greater potential limitations than financial information, given the methods used for calculating and estimating such information. Moreover, historical, current, and forward-looking environmental and social-related statements may be based on standards and metrics for measuring progress,

as well as standards for the preparation of any underlying data for those metrics, that are still developing and internal controls and processes that continue to evolve. While these are based on expectations and assumptions believed to be reasonable at the time of preparation, they should not be considered guarantees. The standards and performance metrics used, and the expectations and assumptions they are based on, have not, unless otherwise expressly specified, been verified by any third party.

Furthermore, while certain items discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality of certain disclosures included in our SEC filings, even if we use the word “material” or “materiality” in this document in relation to those statements or in other materials that we may release from time to time in connection with the matters discussed herein. Moreover, given the uncertainties, estimates, and assumptions required to make certain non-financial disclosures, and the timelines involved, materiality is inherently difficult to assess, particularly far in advance. In addition, given the inherent uncertainty of the estimates, assumptions, and timelines contained in this report, we may not be able to anticipate in advance whether or the degree to which we will or will not be able to meet our plans, targets, or goals.

In addition, while we seek to align these disclosures with the recommendations of various third-party frameworks, we ultimately use such frameworks only as references for our disclosures and cannot guarantee strict adherence to these frameworks' recommendations. Additionally, our disclosures based on any frameworks may change due to revisions in framework requirements, availability of information, changes in our business or applicability governmental policy, or other factors, some of which may be beyond our control.



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